RCBC
Partners Through Generations

May 28, 2026

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Bel-Air, Makati City

Attention: Atty. Oliver O. Leonardo
Head, Markets and Securities and Regulation Division

Atty. Rachel Esther J. Gumtang-Remalante
Director, Corporate Governance and Finance Division

THE PHILIPPINE STOCK EXCHANGE, INC.
6th - 10th Floors, PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: Atty. Marigel M. Baniqued-Garcia
Head, Issuer Regulation Division

PHILIPPINE DEALING & EXCHANGE CORPORATION
29/F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

Attention: Atty. Suzy Claire R. Selleza
Head, Issuer Compliance and Disclosure Department (ICDD)

Gentlemen,

Pursuant to SEC Memorandum Circular No. 15, Series of 2017, we submit herewith the 2025 Integrated Annual Corporate Governance Report (I-ACGR) of Rizal Commercial Banking Corporation (the "Bank") together with its annexes and the Bank's request for exemptive relief filed with the Securities and Exchange Commission as one of our Independent Directors is currently unable to provide his wet signature.

Thank you.

Very truly yours,

RIZAL COMMERCIAL BANKING CORPORATION

By:

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer

[redacted]

ATTY. MIKHAIL R. ROMULO
Head, Compliance Oversight Officer

COVER SHEET

1	7	5	1	4					

S.E.C. Registration Number

R	I	Z	A	L		C	O	M	M	E	R	C	I	A	L		B	A	N	K	I	N	G						
C	O	R	P	O	R	A	T	I	O	N																			

(Company's Full Name)

6	8	1	9		A	Y	A	L	A		A	V	E	N	U	E		C	O	R	N	E	R			G	I	L	
P	U	Y	A	T		A	V	E	N	U	E		M	A	K	A	T	I		C	I	T	Y							

(Business Address: No. Street City/ Town/ Province)

Mikhail G. Romulo

Contact Person

8894-9000 (loc. 9429)

Company Telephone Number

1	2

Month

3	1

Day

Fiscal Year

I	A	C	G	R

FORM TYPE

0	6

Month

2	9

Day

Annual Meeting

Secondary License Type, If Applicable

C	G	F

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. Of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks= pls. Use black ink for scanning purposes

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended December 31, 2025

2. SEC Identification Number 17514

3. BIR Tax Identification No. 000-599-760-000

4. Exact name of issuer as specified in its charter RIZAL COMMERCIAL BANKING CORP

5. Philippines
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. RCBC Plaza Yuchengco Tower 6819 Ayala Ave. cor. Sen. Puyat Avenue, Makati 1200
Address of principal office Postal Code

8. (632) 8894-9000
Issuer's telephone number, including area code

9. Not Applicable
Former name, former address, and former fiscal year, if changed since last report

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	**ADDITIONAL INFORMATION**	**EXPLANATION**
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Provide information or Links: to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	The Bank's Board of Directors is composed of fifteen (15) members with diverse educational backgrounds, experienced professionals, known for their integrity, experience, education, training and competence. Links/References: • 2025 SEC FORM 17-A, pages 72-79 (Item 9 - Directors and Executive Officers of the Issuer). https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf • Corporate Governance Manual, page 12. (PartII.A.iii - Qualifications of a Director): https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf While the qualifications of persons nominated to the Board are reviewed and assessed by the Corporate Governance and Nominations Committee, which applies the fit and proper standards in its evaluation. Likewise, Directors annually certify their qualifications and conduct self-assessments to evaluate their performance. Link/Reference: • 2025 Definitive Information Statement, pages 394-403 (Certification of Independent Directors) https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		

Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	Identify or provide Links: to a document identifying the directors and the type of their directorships	In accordance with RCBC's By-Laws and Corporate Governance Manual, its Board of Directors has fifteen (15) members. In 2025, the fifteen (15) - member Board is composed of fourteen (14) Non-Executive Directors, including five (5) Independent Directors, and one (1) Executive Director, which comprises 93.33% of the Board. The Bank's Executive Director is Mr. Reginaldo Anthony B. Cariaso, President and CEO. Links/References: ● 2025 SEC FORM 17-A, pages 72-79 (Item 9 - Directors and Executive Officers of the Issuer). https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf ● Amended By-Laws, pages 4-5 (Board of Directors) https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf ● Corporate Governance Manual, page 11 (Composition of the Board of Directors) and pages 12-13 (Qualifications of a Director) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf ● 2026 Preliminary Statement, pages 7-18 https://edge.pse.com.ph/openDiscViewer.do?edge_no=ea10a2f0c958773764d70b69f0a3140b

Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	The Bank's commitment to continuous director development is institutionalized in the Bank's Corporate Governance Manual and the Corporate Governance and Nominations Committee Charter. The Corporate Governance and Nominations Committee oversees the continuing education program for the Board. Links/References: Policy on the training of Directors ● Part XVI. A. Board of Directors Training Program of the Corporate Governance Manual, page 56: https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf ● Section C. Education Program of the Corporate Governance and Nominations Committee Charter, page 5 https://www.rcbc.com/uploads/media/Charter_Corporate_Governance_and_Nominations_Committee.pdf
2. Company has an orientation program for first time directors.	COMPLIANT	Provide information or Links: to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	The orientation program for first time Directors shall be for at least eight hours, while the annual continuing training shall be at least for four hours. The training programs should cover topics relevant in carrying out their duties and responsibilities as directors. For 2025, the Bank onboarded the following new directors: 1. Mr. Carlos G. Dominguez; 2. Mr. Yasunori Takahashi; 3. Mr. Alexander A. Patricio; and 4. Mr. Daniel Gabriel M. Montecillo. Links/References: ● Corporate Governance Manual, page 56 (Part XVI. A. Board of Directors Training Program) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf ● Corporate Governance and Nominations Committee Charter, page 5 (Section C. EducationProgram) https://www.rcbc.com/uploads/media/Charter_Corporate_Governance_and_Nominations_Committee.pdf

3. Company has relevant annual continuing training for all directors.	COMPLIANT		The Directors' annual continuing training program makes certain that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the company. It involves courses on corporate governance, matters relevant to the company, including audit, internal controls, risk management, sustainability and strategy. The Bank shall assess its own training and development needs in determining the coverage of their continuing training program. The annual continuing training shall be at least for four (4) hours. On September 27, 2025, all directors of the Bank including senior management attended the in-house corporate governance seminar facilitated by RCBC. The topics were Global Banking Sustainable Value Trends and Analysis, Work, Workforce, Worker - Reinvented in the age of Gen AI, Money Laundering and Terrorism Financing Risk Governance and Investing in new approaches for the common good. Links/Reference/s: Recent Training/Continuing Education of the Directors ● 2025 SEC FORM 17-A, pages 72-79 (Item 9 - Directors and Executive Officers of the Issuer). https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf ● Schedule of Annexes (Annex 1) for the details of the 2025 Annual Training of the Directors.

Recommendation 1.4			
1. Board has a policy on board diversity.	NON-COMPLIANT	Provide information on or Links: to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	While the Bank does not have a standalone "Board Diversity Policy," the principle of diversity is formally integrated into Part IV. A. ii. f and g of the Bank's Corporate Governance (CG) Manual. This approach reflects the Bank's assessment of the requirement, where it has been decided to retain the current framework rather than establishing a rigid, separate policy. The Bank's current strategy focuses on a merit-based selection process that ensures an appropriate mix of competence, collective working knowledge, and expertise relevant to the banking industry. By maintaining this integrated approach, the Board preserves the necessary flexibility to appoint directors based on the evolving business environment, strategic needs, and specific technical demands of the Bank. The CG Manual explicitly states that the Board shall promote diversity and shall not disqualify any nominee or member on the basis of gender, race, age, religion, or political affiliation. In 2025, the Board maintained a diverse composition with three (3) female Directors out of the fifteen (15) Board members. The women serving on the Board include Chairperson Helen Y. Dee, Dir. Gayatri P. Bery, and Dir. Erika Fille T. Legara, who serves as an independent director. Links/References: • Corporate Governance Manual, page 11 (Part IV. Board Governance) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf • RCBC Website (Bank's Board of Directors) https://www.rcbc.com/our-company

Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	NON-COMPLIANT	Provide information on or Links: to a document containing the company's policy and measurable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	While the Bank does not have a standalone "Board Diversity Policy," the principle of diversity is formally integrated into Part IV. A. ii. f and g of the Bank's Corporate Governance (CG) Manual. This approach reflects the Bank's assessment of the requirement, where it has been decided to retain the current framework rather than establishing a rigid, separate policy. The Bank's current strategy focuses on a merit-based selection process that ensures an appropriate mix of competence, collective working knowledge, and expertise relevant to the banking industry. By maintaining this integrated approach, the Board preserves the necessary flexibility to appoint directors based on the evolving business environment, strategic needs, and specific technical demands of the Bank. The CG Manual explicitly states that the Board shall promote diversity and shall not disqualify any nominee or member on the basis of gender, race, age, religion, or political affiliation. In 2025, the Board maintained a diverse composition with three (3) female Directors out of the fifteen (15) Board members. The women serving on the Board include Chairperson Helen Y. Dee, Dir. Gayatri P. Bery, and Dir. Erika Fille T. Legara, who serves as an independent director. Links:/References: ● Corporate Governance Manual, page 11 (Part II. Board Governance) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf ● Bank's Board of Directors as posted in the RCBC Website: https://www.rcbc.com/our-company ● List of elected Directors / 2025 Results of Annual Stockholders' Meeting https://www.rcbc.com/uploads/media/PSE-Disclosure-Amended-1-Results-of-Annual-or-Special-Stockholders'-Meeting.pdf ● 2025 Definitive Information Statement, pages 51-52 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Provide information on or Links: to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	Atty. George Gilbert G. dela Cuesta ("Atty. dela Cuesta") is the Bank's Corporate Secretary. He is not the Chief Compliance Officer nor is a member of the Board. The qualifications, duties and responsibilities and his profile are disclosed in the SEC Form 17-A, Amended By-Laws, and Corporate Governance Manual which are posted and available in RCBC website. Links/References: Profile of Atty. dela Cuesta ● 2025 SEC FORM 17-A, page 82 (Item 9 - Directors and Executive Officers of the Issuer):
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		

3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf List of Senior Management • https://www.rcbc.com/our-company Qualifications of Corporate Secretary • Corporate Governance Manual, pages 15-16 and 33 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Duties and Responsibilities of the Corporate Secretary • Article VIII Section 6 (Powers and Duties of the Officers) of the Amended By-Laws https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Provide information or Links: to a document containing information on the corporate governance training attended, including number of hours and topics covered	In 2025, the Corporate Secretary, Atty. dela Cuesta had attended the in-house corporate governance seminar facilitated by the Bank. The topics discussed were Global Banking Sustainable Value Trends and Analysis, Work, Workforce, Worker - Reinvented in the age of Gen AI, Money Laundering and Terrorism Financing Risk Governance and Investing in new approaches for the common good. Reference: Schedule of Annexes (Annex 1) for the Certificate of Attendance of Atty. dela Cuesta.
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	The Board meeting materials are generally released to the Board five (5) business days (1 calendar week) before the meeting by the Corporate Secretary. Reference: Schedule of Annexes (Annex 2) for the sample e-mail to the Directors with the attached Board agenda and materials which were distributed at least five (5) business days before the Board meeting.

Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Provide information on or Links: to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	The Bank's Chief Compliance Officer (CCO) and Head of Compliance Group is Ms. Sheila Ricca G. Dioso ("Ms. Dioso") with a rank of Senior Vice President 1 and is not a member of the Board[1]. Links/Reference: Profile of Ms. Dioso ● 2025 SEC FORM 17-A, page 86 (Item 9 - Directors and Executive Officers of the Issuer): https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf List of Senior Management ● https://www.rcbc.com/our-company Duties and Responsibilities of the Chief Compliance Officer ● Corporate Governance Manual, pages 44-45 and pages 47-48 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	Provide information on or Links: to a document containing information on the corporate governance training attended, including number of hours and topics covered	In 2025, the Compliance Officer, Ms. Dioso had attended the in-house corporate governance seminar facilitated by the Bank. The topics discussed were Global Banking Sustainable Value Trends and Analysis, Work, Workforce, Worker - Reinvented in the age of Gen AI, Money Laundering and Terrorism Financing Risk Governance and Investing in new approaches for the common good. Reference: Schedule of Annexes (Annex 1) for the Certificate of Attendance of Ms. Dioso.
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	Materials are sent ahead of time to the Board so that they are fully informed of the matters to be taken up during Board Meetings. The discussions during meetings show that the directors act in good faith, with due diligence and care, and in the best interest of the company. Reference: Schedule of Annexes (Annex 2) proof of distribution of meeting materials 5 days before the Board meeting and (Annex 3) excerpts of the Board minutes of the meeting.

Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	Provide information or Links: to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting) Indicate frequency of review of business objectives and strategy	In November 2025, the Board approved the 2026 Board Work Plan which contains the business strategies of the different business groups. Thus every month, one business group makes a strategy presentation to the board for discussion. In addition, part of the budget matters tackled in the Special BOD Meeting in December 2025 is the discussion on the strategy undertaken for the previous fiscal year and the strategy moving forward. Reference: Schedule of Annexes (Annex 4) for Board minutes on the discussion involving business plan and strategy.
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT		

[1] Effective on January 1, 2025.

Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	Indicate or provide Links: to a document containing the company's vision, mission and core values. Indicate frequency of review of the vision, mission and core values.	The Bank's Corporate Governance Manual states that "The Board of Directors is primarily responsible for defining the Bank's vision and mission, with an annual review to ensure alignment and relevance". The Bank's Vision, Mission and Core Values are as follows: **Vision** Empowering generations of Filipinos through financial innovation **Mission** We are committed to building meaningful relationships while providing cutting-edge solutions **Core Values** **Customer Obsession**. We prioritize our customers in all decisions and actions, ensuring that our services meet their diverse needs. **Loyalty**. We pursue corporate interests as our own, speaking well of the company and taking pride in its achievements. **Integrity.** We uphold the highest standards of discipline, accountability, and ethical conduct in all interactions, building trust with customers and stakeholders. **Excellence.** We strive to be great, deliver quality results promptly, and improve our results continuously. **Nurturing.** We are responsible stewards of our environment and communities, encouraging social development and sustainability. **Teamwork**. We collaborate toward our shared goals and tap areas of synergy actively to deliver the best possible outcomes for the customers and communities we serve. Links/References: Mission, Vision and Core Values ● RCBC Website https://www.rcbc.com/our-company (see Mission & Vision) ● Corporate Governance Manual, page 24. (Part IV. B Duties and Responsibilities of the Board): https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf

2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	Provide information on or Links: to a document containing information on the strategy execution process.	In November 2025, the Board approved the 2026 Annual Board Plan which contains the business strategies of the different business groups. It shows that, every month, one business group makes a strategy presentation to the board for discussion. Also included in the Board Plan is an Offsite Board Strategy Planning Session. In addition, part of the budget matters tackled in the Special BOD Meeting in December 2025 is the discussion on the strategy undertaken for the previous fiscal year and the strategy moving forward. Reference: Schedule of Annexes (Annex 4) for Board minutes on the discussion involving business plan and strategy.
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	Mrs. Helen Y. Dee ("Mrs. Dee") is the Chairperson of the Bank's Board. She is also the Chairperson of House of Investments, Inc. and PetroEnergy Resources Corporation, which are publicly-listed companies. Links/References: Profile of Mrs. Dee ● 2025 SEC FORM 17-A 17-A, pages 72 (Item 9 - Directors and Executive Officers of the Issuer). https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Qualifications, Duties and Responsibilities of a Chairman/Chairperson ● Corporate Governance Manual, page 22-23 (Part IV. Board Governance, Item 6. Chairperson of the Board) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf

Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Disclose and provide information or Links: to a document containing information on the company's succession planning policies and programs and its implementation	As stated in the Bank's Corporate Governance Manual, the Bank's Board, through the Corporate Governance and Nominations Committee, oversees the selection and performance of the directors and senior management. This includes reviewing the Board's composition to ensure skills are aligned with the Bank's strategic direction. The Bank has an established retirement plan for its employees. Link/Reference: Succession Plan for the Directors and Senior Management ● Corporate Governance Manual, page 24 (Part IV.A. Board of Directors) and page 57 (Part XVI. Training Process) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. Board adopts a policy on the retirement for directors and key officers.	NON-COMPLIANT		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	Provide information on or Links: to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	As disclosed in the Bank's Corporate Governance Manual, it is the Board's responsibility on the approval of a sound remuneration and other incentives policy for personnel. The remuneration of the Bank's Board is commensurate with their contributions and scope of their responsibilities. Likewise, the Board does not participate in the determination of their own per diem or compensation. The policy on the remuneration of the directors is disclosed in the Bank's By-Laws (under Article V, Sec. 8-Directors Fees) and in the Corporate Governance Manual (under Part IV. Board Governance, 5. Remuneration of Board of Directors) which are posted in the RCBC website. Links/References: Policy on the remuneration of the Directors ● Article V, Section 8 - Directors Fees https://www.rcbc.com/Content/Web/img/about/pdf/AMENDED_BYLAWS_2018.pdf ● Corporate Governance Manual, pages 21-22 (Part IV. Board Governance, 5. Remuneration of Board of Directors) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		
Optional: Recommendation 2.5			

1. Board approves the remuneration of senior executives.	COMPLIANT	Provide proof of board approval	The Board approves the remuneration of the Senior Executives through the Executive Committee, including the review and approval of their credentials and qualifications. Link/Reference: The aggregate compensation paid to the Bank's Chief Executive Officer and four other most highly compensated executive officers of the Bank in 2025 ● 2025 SEC Form 17-A, page 94 (Item 10. Executive Compensation) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Duties and responsibilities of the Board: ● Corporate Governance Manual, pages 27-28 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	COMPLIANT	Provide information on or Links: to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	As stated in the Bank's Corporate Governance Manual "A proportion of the executive directors" remuneration shall be structured so as to link reward to corporate and individual performance." The Compensation and Rewards Program of the Bank for its employees, including the senior officers, is disclosed in the Sustainability Report, under Employee Management of the Social section. The Bank's Remuneration Policy is also disclosed in the Annual and Sustainability Report under Employee Management of the Social Contributions section. Links/References: ● Corporate Governance Manual, page 21 (Part IV. 5. Remuneration of Board of Directors) and pages 41-42 (Part VIII. Board Committees, D. Corporate Governance and Nominations Committee) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf ● Compensation and Rewards Program for the Bank's employees https://www.rcbc.com/uploads/media/RCBC-Sustainability-Report-2024.pdf ● 2025 Sustainability Report *(Attached to the SEC Form 17-A)*, page 49 (Compensation and Rewards Program) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-%28SEC-Form17-A%29-2025.pdf
Recommendation 2.6			

1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders. Provide proof if minority shareholders have a right to nominate candidates to the board Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	The Corporate Governance Manual refers to the Bank's By-Laws for the nomination and election process of directors. For the proper implementation of this provision, all nominations for election of directors by the stockholders shall be submitted in writing to the President and the Corporate Secretary at the Corporation's principal place of business at least thirty (30) working days before the regular or special meeting of stockholders for the purpose of electing directors. The Bank allows all shareholders, including minority stockholders, the right to nominate candidates to the Board. However, the policy does not distinguish or explicitly state the number of shares held by the nominating shareholder. Further, the Board is assisted by the Corporate Governance and Nominations Committee in fulfilling its corporate governance responsibilities, including the oversight of the nomination process for members of the board of directors and for positions appointed by the board of directors. The Committee reviews and evaluates the qualifications of all persons nominated to the Board of Directors as well as those nominated to other positions requiring appointment by the Board of Directors. Also, as contained in the charter of the Corporate Governance and Nominations Committee, the Committee shall review the composition of the Board and determine the set of qualifications, skills, experience and/or expertise which are aligned with the Bank's strategic direction. All nominees to the Board undergo a Fit and Proper Test through the Corporate Governance and Nominations Committee. Links: Election of Directors ● Amended By-Laws, page 4 (Article V, Section 2.) https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf General Responsibilities of the Corporate Governance and Nominations Committee and Stockholders' Rights and Protection of Minority Stockholders item 9. Nomination and Election of Directors ● Corporate Governance Manual, page 41 and pages 58-59 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Duties and Responsibilities of the Corporate Governance and Nominations Committee ● Corporate Governance and Nominations Committee Charter (Item V. B. Nomination and Election) https://www.rcbc.com/uploads/media/Charter_Corporate_Governance_and_Nominations_Committee.pdf
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT		

6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		Compliance with leading practices on Corporate Governance - Board Governance and Right to Nominate Candidates for Board of Director ● Definitive Information Statement, pages 51-52 and 67 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	COMPLIANT	Identify the professional search firm used or other external sources of candidates	In accordance with the Bank's By-Laws, the stockholders nominate the directors for election. The candidates that are nominated by the stockholders come from various sources. Some of the bank's directors and stockholders are fellows of the Institute of Corporate Directors (ICD), thus they have access and use external databases such as the one in ICD. The Corporate Governance and Nominations Committee Charter explicitly grants the Committee the authority to use professional search firms or other external sources when identifying and selecting candidates for the board. Link/Reference: Duties and Responsibilities of the Corporate Governance and Nominations Committee ● Corporate Governance and Nominations Committee Charter (Item V. B. Nomination and Election) https://www.rcbc.com/uploads/media/Charter_Corporate_Governance_and_Nominations_Committee.pdf

Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs Identify transactions that were approved pursuant to the policy.	The Related Party Transactions (RPT) Policy of the Bank is approved by the Board and is posted in the Bank's website. The Bank's definition of related parties include, among others, the Bank's DOSRI and close family members within the fourth degree of consanguinity and affinity, subsidiaries, affiliates and all other YGC companies. The Bank has constituted the RPT Committee to review all material RPTs to ensure that they are conducted in the regular course of business and not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, and collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances. On favorable review, the RPT Committee endorses material RPTs to the Board for approval. Material RPTs approved by the Board shall be submitted to the Stockholders for confirmation during the Annual Stockholders Meeting. Links/References: • Related Party Transactions Policy https://www.rcbc.com/uploads/media/Rizal-Commercial-Banking-Corporation_Updated-RPT-Policy_2025.pdf • Related Party Committee Charter https://www.rcbc.com/uploads/media/RPT-Committee-Charter_updated-as-of-February-2026.pdf • Material Related Party Transactions for the year 2025 2025 SEC Form 17-A (Annual Report), page 98 (Item 12. Certain Relationships and Related Transactions) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-%28SEC-Form17-A%29-2025.pdf • Duties and Responsibilities of the Related Party Transactions Committee Corporate Governance Manual, pages 42-23 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, and risk profile and complexity of operations.	COMPLIANT		

Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	COMPLIANT	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories	The materiality threshold for disclosure and approval of RPTs, as well as the RPT categories, are disclosed in the Bank's RPT Policy transactions with related parties involving amounts of at least Php10,000,000.00 are considered as material RPTs. The said threshold shall not apply to DOSRI loans and other credit accommodations and guarantees, and other transactions requiring Board approval under the regulations, i.e., cross-selling, outsourcing, etc., which are always considered "material" regardless of amount. All material RPTs shall be approved by at least two-thirds (2/3) vote of the Board of Directors, with at least a majority of the independent directors voting to approve the material RPT. In case that a majority of the independent directors" vote is not secured, the material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock. Material RPTs approved by the Board shall be submitted to the Stockholders for confirmation during the Annual Stockholders Meeting. The Related Party Transactions Policy is posted on RCBC's website. Links/References: ● Related Party Transactions Policy https://www.rcbc.com/uploads/media/Rizal-Commercial-Banking-Corporation_Updated-RPT-Policy_2025.pdf ● Material Related Party Transactions for the year 2025 2025 SEC Form 17-A (Annual Report), page 98 (Item 12. CertainRelationships andRelated Transactions) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-%28SEC-Form17-A%29-2025.pdf
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	COMPLIANT	Provide information on voting system, if any.	The approval of the material RPTs done by all the shareholders present during the Annual Stockholders' Meeting, regardless of relationship. Thus, the approval of the material RPTs by all the non-related party shareholders are also secured during the Annual Stockholders' Meeting. Link/Reference: ● Minutes of the 2025 Annual Stockholders' Meeting https://www.rcbc.com/uploads/media/06302025-ASM-Minutes.pdf

Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identity the Management team appointed	The Board is primarily responsible for approving the selection of the CEO including the Bank's Senior Management. As of December 2025, the Bank is led by its President and Chief Executive Officer, Mr. Reginaldo Anthony B. Cariaso[2]. The heads of the Bank's other control functions are as follows: Chief Risk Officer: Mr. Bennett Clarence D. Santiago Chief Compliance Officer: Ms. Sheila Ricca G. Dioso Chief Audit Executive: Ms. Kristine I. Aguirre Links/References: Duties and responsibilities of the Board: ● Corporate Governance Manual, pages 27-28 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf ● Bank's Senior Management https://www.rcbc.com/our-company ● List of Directors and Executive Officers 2025 Definitive Information Statement, pages 18-19 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf ● Results of 2025 Organizational Meeting of the Board https://edge.pse.com.ph/openDiscViewer.do?edge_no=c951b4f793e11be7ec6e1601ccee8f59 https://www.rcbc.com/uploads/media/PSE-Disclosure-Amended-1-Results-of-Organizational-Meeting-of-Board-of-Directors.pdf

[2] Mr. Reginaldo Anthony B. Cariaso was appointed President & CEO of the Bank effective July 1, 2025.

2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance.	The Board oversees the performance of the management and regularly monitors and assess its performance and effectiveness based on the approved performance standards. The Board likewise assesses at least annually its performance and effectiveness as a body, as well as its various Committees, the individual directors, the Chairperson, the CEO and Senior Management. Links/References: Duties and responsibilities of the Board: ● Corporate Governance Manual, pages 27-28 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Provide information on or Links: to a document containing the Board's performance management framework for management and personnel.	The Bank is committed to providing its employees with continuing opportunities to achieve and excel in one's field, profession or job; grow professionally and personally to their fullest potentials; and make a meaningful contribution to the execution of the institution's Vision, Mission and strategies as well as in the exemplification of its Core Values. In line with this philosophy, the Bank implements a Performance Management System with the following objectives: 1. Align individual and organizational goals; 2. Provide feedback on employees' work progress and accomplishments based on clearly defined goals and objectives, job description and performance indicators; 3. Provide information for planning, training and career development programs; 4. Provide a structured basis for decisions on personnel movements; 5. Encourage open communication and a supportive relationship between employees and their unit heads and within work teams; and 6. Serve as a basis for granting rewards/promotions or imposing disciplinary sanctions, as applicable. Reference: Schedule of Annexes (Annex 5) for the Bank's Performance Management Policy for management and personnel.
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Provide information on or Links: to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	The Board, through the Bank's Audit and Compliance Committee, monitors and evaluates the adequacy and effectiveness of the bank's internal control systems. The Bank has established an effective internal control system to ensure that the Bank is managed and controlled in a sound and prudent manner and is reviewed annually. It includes the following critical components - Control Environment, Risk Assessment, Control activities, Management Reporting System, Monitoring Activities and Correcting Deficiencies. Links/References: Specific Duties and Responsibilities of Internal Control and Risk Management ● Audit and Compliance Committee Charter, pages 4-5 https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-August-12-2025.pdf Duties and Responsibilities of Audit and Compliance Committee ● Corporate Governance Manual, page 39-40 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Internal Control ● 2025 Definitive Information Statement, pages 79-80 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		
3. Board approves the Internal Audit Charter.	COMPLIANT	Provide reference or link to the company's Internal Audit Charter	The Board approved the revised Internal Audit Charter on August 26, 2025. The revised Internal Audit Charter is posted in the Bank's Website. Link: https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-August-12-2025.pdf
Recommendation 2.11			

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	Provide information on or Links: to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework. Provide proof of effectiveness of risk management strategies, if any.	As disclosed in the Bank's Corporate Governance Manual, the Board is responsible for approving the Bank's risk governance framework and overseeing the Risk Management Framework of the Bank and on the establishment of sound enterprise risk management. The Risk Oversight Committee (ROC) Charter also provides that the Board, through the ROC, shall oversee the Risk Governance Framework and ensure that an appropriate risk governance framework is in place, and adopted. Links/References: Duties and Responsibilities of the Board of Directors ● Corporate Governance Manual, page 31 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Scope and Authority of Risk Oversight Committee ● Risk Oversight Committee Charter , pages 3-6 https://www.rcbc.com/uploads/media/Approved-ROC-Charter_2025.pdf Risk management is embedded in the Bank's processes and is made part of its culture. The Bank has a Risk Governance Framework that provides structure and guidance for identifying, understanding, measuring and handling risks. The framework employed effectively manages the risk. The Bank complies with regulations on risk and capital management, and is operating well within its risk appetite. Link: https://www.rcbc.com/corporate-governance (Enterprise Risk Management) Reference: Schedule of Annexes (Annex 6) for the Risk Governance Framework
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed.	The Bank's Board Charter formalizes and clearly states the Board of Directors' roles, responsibilities and accountabilities in carrying out its fiduciary duties. In addition to the existing rules, By-Laws, and the Corporate Governance Manual, the Board Charter also serves as a guide to the directors in the performance of their functions. The Bank's Board Charter is publicly available and disclosed on the RCBC website. Link/Reference: Board of Directors Charter https://www.rcbc.com/uploads/media/Board_of_Directors_Charter-1.pdf
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		

Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	Provide information on or Links: to a document showing company's insider trading policy.	The Bank's Insider Trading Policy is disclosed in the RCBC website. Link: https://www.rcbc.com/corporate-governance (Company Policies - Insider Trading Policy)
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	COMPLIANT	Provide information on or Links: to a document showing company's policy on granting loans to directors, if any.	The policy on granting of loans to Directors is incorporated in the Bank's RPT Policy which is posted in the RCBC website. Link: https://www.rcbc.com/uploads/media/Rizal-Commercial-Banking-Corporation_Updated-RPT-Policy_2025.pdf
2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	Indicate the types of decision requiring board of directors' approval and where these are disclosed.	The types of decision requiring board approval are incorporated in the Board Charter, under Sec. 3, Powers, Duties and Responsibilities of the Directors. Link: https://www.rcbc.com/uploads/media/Board_of_Directors_Charter-1.pdf

Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Provide information or Links: to a document containing information on all the board committees established by the company.	RCBC has seven (7) Board-level Committees: 1. Executive Committee 2. Audit and Compliance Committee 3. Risk Oversight Committee 4. Corporate Governance and Nominations Committee 5. Related Party Transactions Committee 6. Anti-Money Laundering Committee 7. Technology Committee The charters of the Board Committees are posted on RCBC's website. Link: https://www.rcbc.com/corporate-governance (Board and Board Committee)
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	Provide information or Links: to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	The Bank has an Audit and Compliance Committee that provides oversight over the Bank's financial reporting policies, practices and control and internal and external audit functions. Further, in cases of appointment or dismissal of external directors, it is encouraged that the decision be made only by the independent and non-executive external audit committee members. The Charter of the Audit and Compliance Committee (ACC) is posted on RCBC's website. Part of the duties and responsibilities of the ACC is to recommend to the Board the selection and replacement of the external auditors. Link/Reference: Audit and Compliance Committee Charter https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-August-12-2025.pdf

2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Provide information or Links: to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	The 2025 Audit and Compliance Committee (ACC) is composed of three (3) Independent Directors namely Director Laurito E. Serrano (Chairperson), Director Erika Fille T. Legara, and Director Alexander A. Patricio[3]. The qualifications and membership of the ACC are provided in the ACC Charter and in the 2025 SEC Form 17-A which are both posted in the RCBC website. Links/References: Composition and Qualifications ● Audit and Compliance Committee Charter, pages 3-4 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-%28SEC-Form17-A%29-2025.pdf Directors' Profile Profile of the Audit and Compliance Committee members/directors ● 2025 SEC Form 17-A, pages 72-79 (Part III. Item 9 Directors and Executive Officers of the Issuers) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Provide information or Links: to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	The members of the Bank's Audit and Compliance Committee have the relevant background, knowledge, skills and experience in the areas of accounting, auditing and finance. The profiles of the members of the Audit and Compliance Committee – Director Laurito E. Serrano (Chairman), Director Erika Fille T. Legara and Director Alexander A. Patricio[3] are disclosed in the 2025 SEC FORM 17-A (Item 9 -Directors and Executive Officers of the Issuer). Link: ● 2025 SEC Form 17-A, pages 72-79 (Part III. Item 9 Directors and Executive Officers of the Issuers) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf

[3] Effective September 29, 2025, the Board elected/appointed Mr. Alexander A Patricio as an Independent Director replacing Dir. Vaughn F. Montes whose term was concluded.

4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or Links: to a document containing information on the Chairman of the Audit Committee	The Chairman of the Audit and Compliance Committee is Director Laurito E. Serrano. He does not hold any other Board committee chairmanship except for the Audit and Compliance Committee. Links: Profile of Dir. Laurito E. Serrano ● 2025 SEC Form 17-A, pages 76-77 (Item 9. Directors and Executive Officers of the Issuer) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-%28SEC-Form17-A%29-2025.pdf ● 2025 Definitive Information Statement, pages 16-17 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	The Audit and Compliance Committee has the responsibility to evaluate and determine non-audit work, if any, of the external auditor. The Audit and Compliance Committee pre-approve all audit and non-audit services and recommends to the Board of Directors the fees to be paid to the external auditor. For the year 2025, approximately Php6.4 million was paid for other services rendered by the external auditor. Link/Reference: ● 2025 SEC Form 17-A (Annual Report), page 71 (Item 8. Information on Independent Accountant and other Related Matters) and page 326 (Supplementary Schedule of External Auditor Fee-Related Information) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-%28SEC-Form17-A%29-2025.pdf ● Schedule of Annexes (Annex 7) - Excerpt of the Minutes of the ACC meeting dated March 25, 2025
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	As stated in the Bank's Audit and Compliance Committee Charter, the ACC consults with the external auditors without management's presence about internal controls and accuracy of the financial statements. On October 14, 2025, the external auditor presented to the Audit Committee and IAG its 2025 Audit Plan which included the team, scope of work, reports and deliverables, logistics and the overall timeline of their audit.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	COMPLIANT	Indicate the number of Audit Committee meetings during the year and provide proof	As indicated in the Audit and Compliance Committee Charter, "The ACC shall meet as frequently as considered necessary by the said Committee. Provided, however, that it shall convene at least twice a month to discuss (a) audit matters and (b) compliance matters in separate meetings" In 2025, the Audit and Compliance Committee (ACC) met twenty-seven (27) times. This information is disclosed in the 2026 Preliminary Information Statement which is posted in the RCBC website.

			Link/Reference: ● Audit and Compliance Committee Charter, page 4 (Meeting, Quorum and Voting Requirements) https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-August-12-2025.pdf ● 2026 Preliminary Information Statement, pages 53-54 https://edge.pse.com.ph/openDiscViewer.do?edge_no=ea10a2f0c958773764d70b69f0a3140b https://www.rcbc.com/uploads/media/PSE-Disclosure-2026-Preliminary-Information-Statement-May-8-2026.pdf
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	The Audit and Compliance Committee (ACC) Charter provides that the Committee is responsible for the appointment, replacement or dismissal of the Chief Audit Executive. Ms. Kristine I. Aguirre, Chief Audit Executive/Internal Audit Group Head was appointed effective May 2, 2025, and during the 2025 Organizational Meeting of the Board on June 30, 2025. Links/References: ● Audit and Compliance Committee Charter, page 2 (General Purpose and Authority) and page 5 (Specific Duties and Responsibilities) https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-August-12-2025.pdf ● Appointment of Internal Auditor https://www.rcbc.com/uploads/media/PSE-Disclosure_Change-in-Director-and-Officer---Appointment-of-Kristine-I.pdf https://edge.pse.com.ph/openDiscViewer.do?edge_no=4c746e47114f6d33ec6e1601ccee8f59 ● 2025 Results of Organizational Meeting of the Board https://www.rcbc.com/uploads/media/PSE-Disclosure-Amended-1-Results-of-Organizational-Meeting-of-Board-of-Directors.pdf https://edge.pse.com.ph/openDiscViewer.do?edge_no=c951b4f793e11be7ec6e1601ccee8f59
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	The Bank's Corporate Governance and Nominations Committee (CGNC) assists the Board of Directors in fulfilling its corporate governance responsibilities. It is also the CGNC who reviews and evaluates the qualifications of the persons nominated to the Board. The Corporate Governance and Nominations Committee (CGNC) Charter is disclosed in the RCBC website. The duties and responsibilities of the CGC which are contained in Section V of the CGC Charter include the review of the composition of the Board and determine the set of qualifications, skills, experience and/or experience which are aligned with the Bank's strategic direction.

			Links/References: Duties and Responsibilities of the CGNC ● Corporate Governance and Nominations Committee Charter, pages 3-4 https://www.rcbc.com/uploads/media/Charter_Corporate_Governance_and_Nominations_Committee.pdf ● Corporate Governance Manual, pages 41-42 (General Responsibilities) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	Provide information or Links: to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	The Corporate Governance and Nomination Committee (CGNC) is composed of three (3) Independent Directors (ID) namely – Director Daniel Gabriel M. Montecillo - Chairperson/ID, Director Carlos G. Dominguez - ID and Director Erika Fille T. Legara (ID)[4]. The qualifications and membership of CGNC are provided in the CGNC Charter, CG Manual and in the 2025 SEC Form 17-A which are both posted in the RCBC website. Links/References: Composition ● Corporate Governance and Nominations Committee Charter, pages 1-2 https://www.rcbc.com/uploads/media/Charter_Corporate_Governance_and_Nominations_Committee.pdf ● Corporate Governance Manual, page 41 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Directors' Profile Profile of the Corporate Governance and Nominations Committee members/directors ● 2025 SEC Form 17-A, pages 72-79 (Part III. Item 9 Directors and Executive Officers of the Issuers) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf

[4]Effective November 2, 2025, Dir. Daniel Gabriel M. Montecillo was appointed/elected as an Independent Director of the Bank, filling the vacancy left by the end of Mr. Juan B. Santos's term. Additionally, Dir. Carlos G. Dominguez was appointed/elected as an Independent Director of the Bank on July 28, 2025, taking the place of Mr. Gabriel S. Claudio following the conclusion of his term.

3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	Provide information or Links: to a document containing information on the Chairman of the Corporate Governance Committee.	Mr. Daniel Gabriel M. Montecillo, an Independent Director, is the Chairman of the Corporate Governance and Nomination Committee[4]. The Bank's Corporate Governance and Nomination Committee Charter contains the information relating to the purpose, composition, qualification, duties and responsibilities of its members. Links: Profile of Director Daniel Gabriel M. Montecillo 2025 SEC Form 17-A, page 78 (Part III. Item 9 Directors and Executive Officers of the Issuers) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Corporate Governance and Nomination Committee Charter https://www.rcbc.com/uploads/media/Charter_Corporate_Governance_and_Nominations_Committee.pdf
Optional: Recommendation 3.3			
1. Corporate Governance Committee meet at least twice during the year.	COMPLIANT	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	As indicated in the Corporate Governance and Nominations Committee Charter, "The regular meeting of the Committee shall be on Monday, two (2) weeks before the regular meeting of the Bank's Board as may be agreed upon by the Committee." In 2025, the Corporate Governance and Nominations Committee met eleven (11) times. This information is disclosed in the 2026 Preliminary Information Statement which is posted in the RCBC website. Link/Reference: ● Corporate Governance and Nominations Committee Charter, page 2 (Meetings and Attendance) https://www.rcbc.com/uploads/media/Charter_Corporate_Governance_and_Nominations_Committee.pdf ● 2026 Preliminary Information Statement, pages 53-54 https://edge.pse.com.ph/openDiscViewer.do?edge_no=ea10a2f0c958773764d70b69f0a3140b https://www.rcbc.com/uploads/media/PSE-Disclosure-2026-Preliminary-Information-Statement-May-8-2026.pdf
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	Provide information or Links: to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	RCBC has a Board-level Risk Oversight Committee (ROC). The Bank's ROC is responsible for overseeing the Enterprise Risk Management Framework of the Bank. The functions of the ROC are provided in the ROC Charter and in the Corporate Governance Manual which are both posted in the RCBC website. Links/References: Duties and Responsibilities of ROC:

			• Risk Oversight Committee Charter, pages 3-6 https://www.rcbc.com/uploads/media/Approved-ROC-Charter_2025.pdf • Corporate Governance Manual, pages 40-41 (General Responsibilities) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	Provide information or Links: to a document containing information on the members of the BROC, including their qualifications and type of directorship	The Risk Oversight Committee (ROC) is composed of at least three (3) non-executive members of the Board of Directors, none of whom is also a member of a management committee. The ROC members are as follows: Director Alexander A. Patricio (Chairman/ID), Director Laurito E. Serrano (ID), and Director Gayatri P. Bery, (Non-Executive Director), Director Erika Fille T. Legara (ID) and Director Katsufumi Uchida (Non-Executive Director)[5]. The qualifications and membership of the ROC are provided in its Charter and in the Corporate Governance Manual which are both posted in the RCBC website. The profiles of the members of the ROC are disclosed in Item 9 (Directors and Executive Officers of the Issuer) of the 2025 SEC FORM 17-A. Links/References: Composition • Risk Oversight Committee Charter, page 1 https://www.rcbc.com/uploads/media/Approved-ROC-Charter_2025.pdf • Corporate Governance Manual, page 40 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Directors' Profile Profile of the Risk Oversight Committee members/directors • 2025 SEC Form 17-A, pages 72-79 (Part III. Item 9 Directors and Executive Officers of the Issuers) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf

[5] Effective September 29, 2025, Mr. Alexander A. Patricio was appointed/elected as an Independent Director of the Bank, filling the vacancy left by the end of Mr. Vaughn F. Montes' term.

3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or Links: to a document containing information on the Chairman of the BROC	Director Alexander A. Patricio, the Chairman of the ROC is not the Chairman of the Board or of any other committee[6]. Links: Profile of Director Alexander A. Patricio 2025 SEC Form 17-A, pages 77-78 (Part III. Item 9 Directors and Executive Officers of the Issuers) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Provide information or Links: to a document containing information on the background, skills, and/or experience of the members of the BROC.	The members of the Risk Oversight Committee are Director Alexander A. Patricio (Chairman/ID), Director Laurito E. Serrano (ID), and Director Gayatri P. Bery, (Non-Executive Director), Director Erika Fille T. Legara (ID) and Director Katsufumi Uchida (Non-Executive Director)[6]. Director Alexander A. Patricio, Chairman of the ROC, brings over 41 years of extensive international and local banking experience, with a significant emphasis on risk management. His prior roles include serving as Chief Risk Officer for the Development Bank of the Philippines and as an Independent Director at China Trust Banking Corporation. Link: Links: Profile of Director Alexander A. Patricio 2025 SEC Form 17-A, page 77-78 (Part III. Item 9 Directors and Executive Officers of the Issuers) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Risk Oversight Committee Charter https://www.rcbc.com/uploads/media/Approved-ROC-Charter_2025.pdf
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	Provide information or Links: to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	The Bank's Related Party Transactions (RPT) Committee ensures that the transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations including the Bank's RPT Policy. The composition, functions and other information on the RPT are provided in the RPT Committee Charter and Corporate Governance Manual which are both posted on RCBC's website. Links: Related Party Transactions Policy https://www.rcbc.com/uploads/media/Rizal-Commercial-Banking-Corporation_Updated-RPT-Policy_2025.pdf Duties and Responsibilities of the RPT Committee ● Related Party Transactions Committee Charter, pages 4-5

			https://www.rcbc.com/uploads/media/RPT-Committee-Charter_updated-as-of-February-2026.pdf • Corporate Governance Manual, pages 42-43 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	Provide information or Links: to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	The RPT Committee is composed of two (2) Independent Directors (ID) and one (1) Non-Executive Director (NED) namely Director Carlos G. Dominguez - Chairperson/ID, Director Erika Fille T. Legara - ID, and Director Shih-Chiao (Joe) Lin - NED[6]. The qualifications and membership of the RPT Committee are provided in the RPT Committee Charter and in the Corporate Governance Manual which are both posted in the RCBC website. Their profiles are disclosed in Item 9 (Directors and Executive Officers) of the 2025 SEC Form 17-A. Links: Composition of RPT Committee Related Party Transactions Committee Charter, page 2 https://www.rcbc.com/uploads/media/RPT-Committee-Charter_updated-as-of-February-2026.pdf Compositions, Duties and Responsibilities Corporate Governance Manual, pages 42-43 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Profiles of RPT Committee Members Part III. Item 9 Directors and Executive Officers of the Issuers 2025 SEC Form 17-A (Annual Report), pages 72-79 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf

[6] Dir. Carlos G. Dominguez was appointed/elected as an Independent Director of the Bank on July 28, 2025, taking the place of Mr. Gabriel S. Claudio following the end of his term.

Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	Provide information on or Links: to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	All the Charters of the Board-level Committees, which contain their functions and other relevant information, are posted on RCBC's website. Links: Board of Directors Charter https://www.rcbc.com/uploads/media/Board_of_Directors_Charter-1.pdf Corporate Governance Manual https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Provide link to company's website where the Committee Charters are disclosed.	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	Provide information or Links: to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or Links: to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	The Bank is guided by SEC Memorandum Circular No. 15, Series of 2001 regarding Board meetings through teleconferencing / videoconferencing and Section 52 of the Revised Corporation Code which allows remote communication as well: " x x x Directors or trustees who cannot physically attend or vote at board meetings can participate and vote through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate". The provision on meetings via teleconferencing is provided in the Bank's By-Laws (under Article V, Sec. 3 - Regular Meetings) and in the Board Charter which are both posted in the RCBC website. Links/References: Amended By-Laws https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf Board of Directors Charter https://www.rcbc.com/uploads/media/Board_of_Directors_Charter-1.pdf Corporate Governance Manual, page 37 (Board Meetings and Quorum Requirements) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf

			Reference: Schedule of Annexes (Annex 8) for an excerpt of a Board Meeting showing the attendance and participation of the directors via videoconferencing.
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT		Materials are sent ahead of time to the Board and Committee members so that they are fully informed of the matters to be taken up during Board and Committee Meetings. Reference: Schedule of Annexes (Annex 2) for sample screenshot showing that the Board materials were given in advance.
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Provide information or Links: to a document containing information on any questions raised or clarification/explanation sought by the directors	Please refer to the schedule of Annexes (Annex 9) for sample Minutes of the Board meeting where the Directors raised questions or sought clarification/explanation during the Board meeting.
Recommendation 4.2			

1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies	As indicated in the Corporate Governance Manual states that: "A non-executive director may concurrently serve as director in a maximum of five (5) publicly listed companies." In applying this provision to concurrent directorship in entities within a conglomerate, each entity where the non-executive director is concurrently serving as director shall be separately considered in assessing compliance with this requirement. The details of the other positions held by the Directors are disclosed in the Preliminary and Definitive Information Statement. Links: Corporate Governance Manual, page 15 (Part IV. Board Governance, A.3.4 Limit on directorship for Non-Executive Director) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf 2026 Preliminary Information Statement, pages 7-18 (Profiles of the Directors) https://edge.pse.com.ph/openDiscViewer.do?edge_no=ea10a2f0c958773764d70b69f0a3140b https://www.rcbc.com/uploads/media/PSE-Disclosure-2026-Preliminary-Information-Statement-May-8-2026.pdf 2025 Definitive Information Statement, pages 7-18 (Profiles of the Directors) https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	As indicated in the Corporate Governance Manual states that a director should notify the Bank's Board of Directors before accepting directorship in another company. Please see Annex 10 for the various Memos to the Corporate Governance Committee (CG Com) for additional directorships as well as the Excerpts of the Minutes showing the CG Com's endorsement and the Board's approval of the additional directorships. Link: Corporate Governance Manual, page 15 (Part IV. Board Governance, A.3.3 Term Limit for Independent Director) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	COMPLIANT		Mr. Reginaldo Anthony B. Cariaso, the Bank's President & CEO and only Executive Director do not serve in more than two (2) Boards of listed companies outside of the group. Link:

			Profile of Mr. Reginaldo Anthony B. Cariaso, Director, President & CEO 2025 SEC Form 17-A (Annual Report), page 80 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT		The 2026 Annual Board Plan, which includes the schedule of Board and Committee meetings for the year, was presented to the Corporate Governance and Nominations Committee (CGNC) and the Board of Directors for approval on November 25, 2025. Reference: Schedule of Annexes (Annex 4) Excerpt of the Minutes of the November 25, 2025 CGNC Meeting reflecting the approved 2026 Annual Board Plan.
3. Board of directors meet at least six times during the year.	COMPLIANT	Indicate the number of board meetings during the year and provide proof	In 2025, the Board of Directors met thirteen (13) times. This information is disclosed in the 2026 Preliminary Information Statement which is posted in the RCBC website. Link: 2026 Preliminary Information Statement https://www.rcbc.com/uploads/media/PSE-Disclosure-2026-Preliminary-Information-Statement-May-8-2026.pdf https://edge.pse.com.ph/openDiscViewer.do?edge_no=ea10a2f0c958773764d70b69f0a3140b
4. Company requires as minimum quorum of at least 2/3 for board decisions.	NON-COMPLIANT	Indicate the required minimum quorum for board decisions	While the Bank's By-Laws state that the majority of the members in attendance at any board meeting shall decide on its action, all matters that require Board decisions are passed unanimously by the Board after thorough discussion. So in general, the 2/3 vote requirement is always met. Link: Amended By-Laws https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	COMPLIANT	Provide information or Links: to a document containing information on the number of independent directors in the board	The RCBC Board of Directors has fifteen (15) members. In 2025, the Board has five (5) Independent Directors (IDs) or 33.33% of the Board. The independent directors are: Daniel Gabriel M. Montecillo, Carlos G. Dominguez, Laurito E. Serrano, Erika Fille T. Legara and Alexander A. Patricio. Mr. Laurito E. Serrano is the Lead Independent Director effective November 2, 2025 following the end of term of Mr. Juan B. Santos. Links/References: 2025 SEC Form 17-A, pages 72-79 (Part III. Item 9 Directors and Executive Officers of the Issuers) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf

Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Provide information or Links: to a document containing information on the qualifications of the independent directors.	The Bank's Independent Directors possess all the qualifications and none of the disqualifications of being an independent director. All elected/appointed independent directors executed certifications of independent directors, stating the same in accordance with Section 38.2.3 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances. The qualifications of an Independent Director are contained in the Corporate Governance Manual while the profiles of the Independent Directors are disclosed in Item 9 (Directors and Executive Officers of the Issuer) of the SEC Form 17-A. The certification of the independent directors that they continue to possess all the qualifications and none of the disqualifications are attached in the 2025 Definitive Information Statement under Annexes D to D-5. These documents are posted on the RCBC website. Links: Qualifications of Independent Director Corporate Governance Manual https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Certifications of Independent Director 2025 Definitive Information Statement, pages 394 - 403 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf Profiles of Independent Directors 2025 SEC FORM 17-A, pages 72-79 (Item 9 - Directors and Executive Officers of the Issuer). https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	Provide Links: to a document containing information that directors are not constrained to vote independently.	There are no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently. Link: 2025 Definitive Information Statement https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	Provide information or Links: to a document showing the years IDs have served as such.	Mr. Laurito E. Serrano, Mr. Daniel Gabriel M. Montecillo, Mr. Carlos G. Dominguez, Mr. Alexander A. Patricio and Ms. Erika Fille T. Legara are the Independent Directors of the Bank as of December 31, 2025. The profiles of the Independent Directors, including the number of years that they have served the Bank, are disclosed in Item 9 (Directors and Executive Officers of the Issuer) of the 2025 SEC Form 17-A.

			Dir. Armando A. Medina, after serving the Bank as an Independent Director for a cumulative term of 9 years (reckoned from 2012), ceased to be an independent director by December 31, 2020 and was elected by the Board as a regular director effective January 1, 2021. Link: • 2025 SEC FORM 17-A, pages 72-79 (Item 9 - Directors and Executive Officers of the Issuer). https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	Provide information or Links: to a document containing information on the company's policy on term limits for its independent director	As stated in the Bank's Corporate Governance Manual, "An independent director of the Bank may only serve as such for a maximum cumulative term of nine years. After which, the independent director shall be perpetually barred from serving as independent director in the Bank, but may continue to serve as regular director. The nine year maximum cumulative term for independent directors shall be reckoned from 2012." Link: Corporate Governance Manual, page 14 (Term limit for Independent Directors) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	The Bank's policy does not allow an Independent Director to serve in the same capacity after nine years reckoned from 2012. In adherence to this policy, Dir. Armando M. Medina, an Independent Director who has served the bank for a cumulative term of 9 years, reckoned from 2012, has ceased to be an Independent Director by December 31, 2020 and has been appointed as a regular director effective January 1, 2021. None of the remaining Independent Directors of RCBC has served for more than nine years, with the earliest joining date being 2019. Link/Reference: 2025 SEC FORM 17-A, pages 76-79 (Item 9 - Directors and Executive Officers of the Issuer, Independent Directors and Former Directors). https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer	The positions of the Chairman of the Board and President & CEO are held by separate individuals. The Bank's Chairperson of the Board is Mrs. Helen Y. Dee while the President/CEO is Mr. Reginaldo Anthony B. Cariaso[2]. Link/Reference:

			2025 SEC FORM 17-A, pages 76-79 (Item 9 - Directors and Executive Officers of the Issuer, Independent Directors and Former Directors). https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
2. The Chairman of the Board and Chief Executive Officer has clearly defined responsibilities.	COMPLIANT	Provide information or Links: to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.	The roles and responsibilities of the Chairperson and the Chief Executive Officer (CEO) are discussed in the Corporate Governance Manual. To promote checks and balances, the Chairperson of the Board of Directors shall be a Non-Executive Director or an Independent Director, and must not have served as CEO of the Bank within the past three years. The positions of Chairperson and CEO shall not be held by one person. Mrs. Helen Y. Dee, Chairperson and Mr. Reginaldo Anthony B. Cariaso are not related to each other by consanguinity or by affinity. Link/Reference: Corporate Governance Manual https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	Provide information or Links: to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if the Chairman is independent.	The Corporate Governance Manual states that the Board shall designate a Lead Independent Director among the independent directors if the Chairman of the Board is not an independent director, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person. Mrs. Helen Y. Dee, the Chairperson of the Board is not an independent director, thus, the Board has appointed Mr. Laurito E. Serrano as the Bank's Lead Independent Director effective November 1, 2025[7]. The Lead Independent Director shall perform a more enhanced function over the other Independent Directors and shall: a. Lead the independent directors at BOD meetings in raising queries and pursuing matters; b. Convene and chair meetings of the non-executive directors without the presence of the executive directors; c. Serve as an intermediary between the Chairperson and the other directors when necessary; and d. Contribute to the performance evaluation of the Chairperson, as required. Link: Corporate Governance Manual https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
Recommendation 5.6			

[7]Following the end of Mr. Juan B. Santos' term, Director Laurito E. Serrano was appointed as the Lead Independent Director, effective November 1, 2025.

1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	Provide proof of abstention, if this was the case	As stated in the Corporate Governance Manual, interested directors and officers shall abstain from discussion, approval and management of such transactions or matters affecting the company. Please refer to the schedule of Annexes (Annex 11) for sample Board minutes involving abstentions. Link: Corporate Governance Manual, page 16 (Item IX. Conflict of Interest) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	COMPLIANT	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	The Separate Meeting of the Non-Executive Directors with the external auditor and heads of the internal audit, compliance and risk functions is held annually. In 2025, the meeting was held on December 9, 2025 attended by all the Non-Executive Directors, the Chief Risk Officer, Chief Compliance Officer, Chief Audit Executive, and the external auditor (Punongbayan & Araullo). The said meeting was chaired by Mr. Laurito E. Serrano, who is the Lead Independent Director (LID). Reference: Schedule of Annexes (Annex 12) for the Agenda of the Separate NEDs Meeting with the Control Unit Heads and External Auditors on December 9, 2025.
2. The meetings are chaired by the lead independent director.	COMPLIANT		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	NON-COMPLIANT	Provide name/s of company CEO for the past 2 years	Mr. Eugene S. Acevedo served as a President & CEO of the Bank until June 30, 2025. Mr. Acevedo has been a Director of the Bank since July 1, 2019. The Bank consciously allows a former CEO to be a member of the Board and values the specialized technical expertise and deep familiarity with the Bank's internal operations that a former CEO provides, which contributes to the "collective working knowledge and expertise" as stated under Section IV.A.2.f of the Bank's CG Manual. Link/Reference: 2025 SEC FORM 17-A, page 74 (Item 9 - Directors and Executive Officers of the Issuer, Independent Directors and Former Directors). https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	Provide proof of self-assessments conducted for the whole board, the	The Bank's Board assesses its performance as an individual and as a Board annually. The Chairman's assessment is also undertaken together with the Board assessment. The results thereof are reported to the Corporate Governance and Nominations Committee.

		individual members, the Chairman and the Committees	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		Link: Corporate Governance Manual, page 37 (Part VI. Performance Evaluation) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Reference: Schedule of Annexes (Annex 13) for the excerpts of May 2026 Corporate Governance Committee meeting on the results of the 2025 self-assessment of the performance of the Board, the individual members, the Chairman and the Committees.
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	The Bank has engaged Korn Ferry to support the self-assessment of the 2023 performance of the Board, the Committees, the individual directors, the Chairman and the CEO. The next assessment to be supported by an external facilitator is scheduled in 2027 and will cover the 2026 performance assessment. Reference: Schedule of Annexes (Annex 14) for the Letter of Confirmation with Korn Ferry
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	Provide information or Links: to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	The self-assessment of the performance of the Board, individual directors and committees was conducted. The criteria and procedure by which the assessments were performed are disclosed in the Definitive Information Statement (under Board Performance) which is posted in the RCBC website. Analysts, investors, shareholders and the financial community may direct their concerns of feedback to the Bank's Investor's Relations. Links: 2025 Definitive Information Statement, page 51 (Board Performance) https://www.rcbc.com/uploads/media/PSE-Disclosure-2025-Preliminary-Information-Statement---May-5,-2025_with-ATTACHMENT.pdf 2026 Preliminary Information Statement, page 54 (Board Performance) https://edge.pse.com.ph/openDiscViewer.do?edge_no=ea10a2f0c958773764d70b69f0a3140b https://www.rcbc.com/uploads/media/PSE-Disclosure-2026-Preliminary-Information-Statement-May-8-2026.pdf Corporate Governance Manual, page 37 (Item VI. Performance Evaluation) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf For feedback from the shareholders RCBC Website - Investor Assistance
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT		

			https://www.rcbc.com/investor-relations
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	Provide information on or Links: to the company's Code of Business Conduct and Ethics.	The Bank's Code of Business Conduct and Ethics is posted on RCBC's website. Link: https://www.rcbc.com/uploads/media/Code-of-Conduct-(Rev.pdf
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	The Bank's Code of Business Conduct and Ethics is posted and can be accessed on the RCBC website. It is also posted in the RCBC's intranet, the RCBC RIZ http://riz.rcbc.com/) which can be accessed by all RCBC employees. New Directors are given a Board Kit which includes, among others, the Bank's Code of Business Conduct and Ethics while all new employees are required to undergo the Employee Orientation Program/Branch Induction Program wherein the bank's Code of Business Conduct and Ethics is one of the major topics being discussed. Link: https://www.rcbc.com/uploads/media/Code-of-Conduct-(Rev.pdf
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	The Bank's Code of Business Conduct and Ethics is posted in the RCBC website which is accessible by the public. Link: https://www.rcbc.com/uploads/media/Code-of-Conduct-(Rev.pdf
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	Provide information on or Links: to a document containing information on the company's policy and procedure on curbing and penalizing bribery	Under Part D of the Code of Business Conduct and Ethics, to avoid conflict of interest, employees are to conduct business transactions for the Bank in accordance with Bank policy and avoid direct or indirect use of the Bank's goodwill, reputation, funds and property or other resources for personal gain. This involves, among other things, accepting gifts, entertainment or favors from customers or suppliers; outside employment; outside directorship; and receiving commissions or benefits from customers or suppliers. The Code of Business Conduct and Ethics also has a provision on the different Types of Penalties corresponding to the various Types of Offenses. Link: https://www.rcbc.com/uploads/media/Code-of-Conduct-(Rev.pdf
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and	COMPLIANT		To ensure compliance with the Code of Conduct and Business Ethics, all new employees undergo the Employee Orientation Program/Branch Induction Program of the Bank wherein

monitoring of compliance with the Code of Business Conduct and Ethics.			the Code is discussed thoroughly while new directors are given the Code during onboarding. The Code is also posted in the RCBC website and intranet (RIZ Online Library). The Personnel Evaluation and Review Committee (PERC) was created to act as an independent body in the evaluation and review of cases involving dishonesty, fraud, negligence or violation of any internal Bank policy, rule or procedure committed by an RCBC employee. The Committee also ensures that the appropriate preventive, corrective and disciplinary measures are imposed on cases involving dishonesty, fraud, negligence or violation of any internal Bank policy, rule or procedure committed by an RCBC employee.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Provide information on or Links: to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	The Bank complies with the PSE Disclosure Rules as well as applicable laws and rules such as the Revised Corporation Code, Banking Laws, and relevant issuances of the Securities and Exchange Commission and the Bangko Sentral ng Pilipinas. The Bank also has established an Investor Relations Program wherein the Corporate Information Officer is responsible for efficiently providing information and addressing the concerns of its shareholders and other stakeholders through the Bank webpage which provides complete information about the Bank in a form that is user-friendly. The RCBC website also contains all the required company disclosures. Links: https://edge.pse.com.ph/companyInformation/form.do?cmpy_id=232 https://www.rcbc.com/investor-relations https://www.rcbc.com/company-disclosures
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	COMPLIANT	Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.	The 2025 Audited Financial Statements (AFS) was submitted to the PSE on February 23, 2026 or 54 days from the end of fiscal year 2025 while quarterly interim reports were filed within 45 days from the end of the quarter. The 2025 AFS is also disclosed on the RCBC website. Links: • 2025 Audited Financial Statements https://edge.pse.com.ph/openDiscViewer.do?edge_no=754737969c4bf04864d70b69f0a3140b https://www.rcbc.com/uploads/media/PSE-Disclosure-Items-approved-by-the-BOD-on-February-23-2026.pdf • Published Quarterly Reports via RCBC Website: (2025 > SEC Reports: Quarterly) https://www.rcbc.com/company-disclosures

			• Published Quarterly Reports via PSE EDGE: 1Q 2025 Report: https://edge.pse.com.ph/openDiscViewer.do?edge_no=782b1247fa981b0cec6e1601ccee8f59 2Q 2025 Report: https://edge.pse.com.ph/openDiscViewer.do?edge_no=3b2049db3ed2c475ec6e1601ccee8f59 3Q 2025 Report: https://edge.pse.com.ph/openDiscViewer.do?edge_no=f453f2f6acee7c6eec6e1601ccee8f59
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	COMPLIANT	Provide link or reference to the company's annual report where the following are disclosed: 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.	1. There are no identified risks to minority shareholders associated with the identity of the company's controlling shareholders. Nonetheless, the identities of the controlling shareholders as well as the ownership concentration are disclosed in the Annual and Sustainability Report and in the Definitive Information Statement (under Shareholdings in the Company). 2. The cross-holdings among company affiliates are disclosed through the conglomerate structure; both the direct and indirect shareholdings in the Bank are also disclosed. 3.There are no voting agreements in place, and the By-Laws of the Bank allows all shareholders, including minority shareholders, the right to nominate candidates for the Board of Directors. Links: https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf https://www.rcbc.com/annual-reports (Annual and Sustainability Report)

Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	Provide information on or Links: to the company's policy requiring directors and officers to disclose their dealings in the company's share. Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.	Directors must disclose any transactions involving Bank shares within three (3) business days of the transaction date, as mandated by the Bank's updated Corporate Governance Manual. Similarly, as per the Code of Business Conduct and Ethics, all Bank employees are required to report any dealings in Bank shares to the HRG – Employee Relations Department within three business days. Links/Reference: Corporate Governance Manual, pages 57-58 (Transparency/Commitment to disclose material information) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Code of Business Conduct and Ethics https://www.rcbc.com/uploads/media/Code-of-Conduct-(Rev.pdf
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	Provide information on or Links: to the shareholdings of directors, management and top 100 shareholders. Provide link or reference to the company's Conglomerate Map.	Changes in the beneficial ownership of securities, including shares held by directors, officers, and controlling shareholders, are disclosed to regulators (SEC, PSE, and PDEX) through the submission of SEC Form 17-A (Annual Report), Public Ownership Reports, and SEC Form 23-B (Statement of Changes in the Beneficial Ownership of Securities). Moreover, the Conglomerate Map showing the relationship between the Company and its Related Entities is disclosed in the RCBC website under Our Company (Conglomerate Map). Links/References: SEC Form 17-A (Annual Report) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf 2025 Definitive Information Statement, pages 3-5 (Item B.4. Voting Securities and Principal Holders Thereof) Shareholdings as of March 31, 2025 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf 2026 Information Statement page 5 (Security Ownership of Management) page 68 (Shareholdings in the Company) https://www.rcbc.com/uploads/media/PSE-Disclosure-2026-Preliminary-Information-Statement-May-8-2026.pdf https://edge.pse.com.ph/openDiscViewer.do?edge_no=ea10a2f0c958773764d70b69f0a3140b List of Top 100 Stockholders as of December 31, 2025

			https://edge.pse.com.ph/openDiscViewer.do?edge_no=7b234917a342674f64d70b69f0a3140b Public Ownership Reports • 1Q 2025: https://edge.pse.com.ph/openDiscViewer.do?edge_no=716fc11acc5ef29eec6e1601ccee8f59 • 2Q 2025: https://edge.pse.com.ph/openDiscViewer.do?edge_no=716fc11acc5ef29eec6e1601ccee8f59 • 3Q 2025: https://edge.pse.com.ph/openDiscViewer.do?edge_no=84b1aa8a56002e27ec6e1601ccee8f59 • As of December 31, 2025: https://edge.pse.com.ph/openDiscViewer.do?edge_no=f65894496808a67d64d70b69f0a3140b Conglomerate Map https://www.rcbc.com/our-company Shareholdings in RCBC of the shareholders owning more than 5%, Board of Directors and Officers 2025 Annual and Sustainability Report https://www.rcbc.com/sustainability#Annual-and-Sustainability-Reports Annual Report https://www.rcbc.com/annual-reports
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	The profiles of the Bank's Board of Directors are disclosed in the Definitive Information Statement, SEC Form 17-A (Annual Report) and in the Annual and Sustainability Report. Links/References: SEC Form 17-A (Annual Report), pages 72-79 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Definitive Information Statement, pages 7-17 (Item B.4. Voting Securities and Principal Holders Thereof) https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf Annual Report, (Directors' Profiles) https://www.rcbc.com/annual-reports

2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	The profiles of the Bank's Senior Management are disclosed in the Definitive Information Statement, SEC Form 17-A (Annual Report) and in the Annual Report. Links/References: SEC Form 17-A (Annual Report), pages 80-93 (Executive Officers) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Definitive Information Statement, pages 33-47 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf Annual Report https://www.rcbc.com/annual-reports
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	Disclose or provide Links: to the company policy and practice for setting board remuneration	The policy on the remuneration of the directors can be found on the following documents which are all posted in the Bank's website: ● Bank's Amended By-Laws (Article V, Sec. 8 – Director's Fee and Article XI – Dividends and Profit Sharing); ● Corporate Governance Manual (Part IV. Board Governance, A. 5. Remuneration of the Board of Directors); ● Annual and Sustainability Report; and ● Definitive Information Statement (under Remuneration of the Board). Links: Amended By-Laws: https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf Corporate Governance Manual: https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Annual and Sustainability Report: https://www.rcbc.com/annual-reports (Annual and Sustainability Report) Definitive Information Statement https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf

2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	Disclose or provide Links: to the company policy and practice for determining executive remuneration	The policy Executive Remuneration is disclosed in the Annual and Sustainability Report (under Senior Executive Remuneration in the Corp. Governance section and under Remuneration Policy in the Social Contributions section, which is posted in the RCBC website. Link: https://www.rcbc.com/annual-reports (Annual and Sustainability Report)
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	For security/safety and other concerns, the Bank discloses the aggregate remuneration of the Board and the aggregate remuneration of the CEO and four other senior officers with highest remuneration in the Annual Report. Link: 2025 SEC Form 17-A (Annual Report), page 94 (Item 10. Executive Compensation) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	Disclose or provide reference/link to company's RPT policies Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.	The Related Party Transactions (RPT) Policy provides that any member of the Board who has an interest in the transaction under discussion shall not participate in discussions and shall abstain from voting on the approval of the Related Party Transaction. The RPT Policy is posted on RCBC's website. Further, as indicated in the Bank's Corporate Governance Manual, "Interested directors and officers shall abstain from discussion, approval and management of such transaction or matter affecting the company." Link: Related Party Transactions Policy https://www.rcbc.com/uploads/media/Rizal-Commercial-Banking-Corporation_Updated-RPT-Policy_2025.pdf Corporate Governance Manual, page 16 (Part IX. Conflict of Interest) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf

2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions	The material RPTs in 2025 are disclosed in Item 12 of the SEC Form 17-A (Annual Report) Link: 2025 SEC Form 17-A (Annual Report), page 97 (Item 12. Certain Relationships and Related Transactions) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	Indicate where and when directors disclose their interests in transactions or any other conflict of interests.	The members of the Board submit their updated Bio-Data annually, and whenever there are changes within the year. Further, as indicated in the Corporate Governance Manual, Directors should, whenever possible, avoid situations that would give rise to a conflict of interest. If transactions with the institution cannot be avoided, it should be done in the regular course of business and upon terms not less favorable to the institution than those offered to others. Also, it states that, in case a Related Party Transactions Committee member has conflict of interest in a particular RPT, he should refrain from evaluating that particular transaction. Section IX of the RPT Policy also provides that interested directors and officers with personal interest in the transaction shall fully and timely disclose any and all material facts, including their respective interests in the related party transaction. Interested directors and officers shall abstain from discussion, approval and management of such transaction or matter affecting the company. Links: Related Party Transactions Policy https://www.rcbc.com/uploads/media/Rizal-Commercial-Banking-Corporation_Updated-RPT-Policy_2025.pdf Corporate Governance Manual, page 35 (Part V. Specific duties and responsibilities of a director) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf

Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	COMPLIANT	Provide link or reference where this is disclosed, if any	The policy in ensuring that RPTs are conducted at arms' length is provided in the RPT Policy which is posted in the RCBC website. Also as provided in the RPT Committee Charter, the Committee was constituted by the Board of Directors to review proposed Related Party Transactions for the purpose of determining whether or not the transaction is on terms no less favorable to the Bank than terms available to any unconnected third party under the same or similar circumstances. The RPT Policy and the RPT Committee Charter are posted on RCBC's website. Links: Link: Related Party Transactions Policy https://www.rcbc.com/uploads/media/Rizal-Commercial-Banking-Corporation_Updated-RPT-Policy_2025.pdf Related Party Transactions Committee Charter https://www.rcbc.com/uploads/media/RPT-Committee-Charter_updated-as-of-February-2026.pdf
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	Provide link or reference where this is disclosed	Material transactions, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders, are disclosed in accordance with the PSE and SEC disclosure rules and regulations. These disclosures are also posted in the RCBC website, under Company Disclosures and Investor Relations. PSE Edge link: https://edge.pse.com.ph/companyInformation/form.do?cmpy_id=232 RCBC Website links: https://www.rcbc.com/company-disclosures https://www.rcbc.com/investor-relations List of Material Information/Transactions approved by the Bank's Board and material information on legal proceedings 2025 Definitive Information Statement, pages 70-71 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
2. Board appoints an independent party to evaluate the fairness of the transaction	COMPLIANT	Identify independent party appointed to evaluate the fairness of the transaction price	As provided in the RPT Policy, where the amount involved in the transaction is at least 10% of the combined assets of the RCBC Group based on the latest audited financial statement, the transaction shall be accompanied by a fairness opinion issued by an external independent

price on the acquisition or disposal of assets.		Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	party to be appointed by the Board of Directors. An external independent party may include, but is not limited to, auditing/accounting firms and third party consultants and appraisers. Link: Related Party Transactions Policy https://www.rcbc.com/uploads/media/Rizal-Commercial-Banking-Corporation_Updated-RPT-Policy_2025.pdf
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	COMPLIANT	Provide link or reference where these are disclosed.	As disclosed in the 2025 Definitive Information Statement, there are no shareholdings holding any Voting Trust Agreement or any such similar agreement. Link: https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted.	The Bank's latest revised Corporate Governance Manual has been duly submitted to the PSE, SEC and PDEX, and posted accordingly in the Bank's website. Links: PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=f0b6ee9fee3173ab64d70b69f0a3140b RCBC Website: https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		
3. Company's MCG is posted on its company website.	COMPLIANT		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	Provide proof of submission.	The latest revised Corporate Governance Manual was submitted to the SEC and PSE via SEC e-FAST and PSE EDGE. Please see link and proof of submission below:

SEC:

Dear RIZAL COMMERCIAL BANKING CORPORATION

Your submission has been reviewed and accepted. Please see attached file as proof of acceptance. You can also generate your QR Code page in your account.

SEC Registration No: 0000017514
Company Name: RIZAL COMMERCIAL BANKING CORPORATION
Document Code: MCI3

Thank you.

SECURITIES AND EXCHANGE COMMISSION
SEC Headquarters, 7907 Makati Avenue,
Salcedo Village, Barangay Bel-Air, Makati City,
1209, Metro Manila, Philippines

PSE:

From: **Philippine Stock Exchange** <no-reply@pse.com.ph>
Date: Fri, Mar 6, 2026 at 16:03
Subject: Other SEC Forms, Reports and Requirements
To <disclosure@pse.com.ph>

Dear Sir/Madam:

Your disclosure was successfully submitted. Details are as follows:

Company Name: Rizal Commercial Banking Corporation
Reference Number: 0008603-2026
Date and Time: Friday, March 06, 2026 16:03 PM
Template Name: Other SEC Forms, Reports and Requirements

Best Regards,
PSE EDGE

Link to PSE's approved disclosure:
https://edge.pse.com.ph/openDiscViewer.do?edge_no=f0b6ee9fee3173ab64d70b69f0a3140b

Optional: Principle 8			

1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	The required information are disclosed in the Bank's Annual and Sustainability Report can be viewed at the RCBC website:
			
			Link/Reference:
			
			2025 Annual and Sustainability Report
			https://www.rcbc.com/sustainability#Annual-and-Sustainability-Reports
			
			For (a), see Vision and Mission
			For (b), see Financial Highlights
			For (c), see Financial Highlights (see Others in the lower part of the table) and Operational Highlights
			For (d), see Dividend Policy under the Corporate Governance section
			For (e), see Directors' Profiles
			For (f), see Attendance in Board and Board Committees Meetings under the Corporate Governance Section
			For (g), see Remuneration of the Board under the Corporate Governance section

a. Corporate Objectives	COMPLIANT		
b. Financial performance indicators	COMPLIANT		
c. Non-financial performance indicators	COMPLIANT		
d. Dividend Policy	COMPLIANT		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT		
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT		
g. Total remuneration of each member of the board of directors	COMPLIANT		The individual remuneration of the Directors shall be disclosed confidentially to the SEC and shall be shared with the stockholders in the Annual Stockholders' Meeting. However, for security/safety and other concerns, only the aggregate remuneration of the directors is disclosed in the Annual and Sustainability Report and 2025 SEC Form 17-A (Annual Report). Links:/Reference: Annual and Sustainability Report https://www.rcbc.com/sustainability#Annual-and-Sustainability-Reports 2025 SEC Form 17-A (Annual Report) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf 2025 Definitive Information Statement, pages 26-27 (Compensation of Directors and Executive Officers) https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
2. The Annual Report contains a statement confirming the	COMPLIANT	Provide link or reference to where this is contained in the Annual Report	As provided in the Annual and Sustainability Report, under the Corporate Governance section, the corporate governance framework of RCBC combines global best practices such

company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains the reason for each such issue.			as the G20/OECD Principles of Good Governance and the general principles of the ASEAN Corporate Governance Scorecard, and the regulatory requirements of SEC Memorandum Circular No. 19, series of 2016 or the Code of Corporate Governance for Publicly-listed Companies and BSP Circular No. 969, series of 2017 or the Enhanced Corporate Governance Guidelines for BSP Supervised Financial Institutions. RCBC"s corporate governance framework is embodied in its Corporate Governance Manual, the latest version of which was approved by the Board on February 23, 2026. Link: Annual and Sustainability Report https://www.rcbc.com/sustainability#Annual-and-Sustainability-Reports Annual Report https://www.rcbc.com/annual-reports
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	COMPLIANT	Provide link or reference to where this is contained in the Annual Report	The Audit and Compliance Committee disclosed the highlights of its reviews conducted that pertains to internal audit, external audit and compliance functions in the Annual and Sustainability Report, under Audit and Compliance Committee. Link: Annual and Sustainability Report https://www.rcbc.com/sustainability#Annual-and-Sustainability-Reports https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	COMPLIANT	Provide link or reference to where this is contained in the Annual Report	As stated in the Annual and Sustainability Report, under Audit and Compliance Committee, the Audit and Compliance Committee reports its evaluation of the effectiveness of the internal controls, financial reporting processes, information technology security and controls, risk management systems and governance process of the Bank based on the report and unqualified opinion obtained from the External Auditor, the overall assurance provided by the Chief Audit Executive and additional reports and information requested from Senior Management, and found that these are generally adequate across RCBC. Link: Annual and Sustainability Report https://www.rcbc.com/sustainability#Annual-and-Sustainability-Reports https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf

5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	COMPLIANT	Provide link or reference to where these are contained in the Annual Report	The Board and Management of RCBC believe that effective management of risk is central to achieving strategic objectives and performance targets. In the pursuit of strategy and to produce a superior return for its shareholders, RCBC has identified the various types of risk which is disclosed in the SEC Form 17-A (Annual Report). Link/Reference: 2025 SEC Form 17-A (Annual Report) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	Provide information or Links: to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	The process for approving and recommending the appointment, reappointment, removal and fees of the external auditor is provided in the Audit and Compliance Charter which is posted in the RCBC website. Link: Audit and Compliance Committee Charter, page 2 (General Purpose and Authority) and page 5 (Specific Duties and Responsibilities) https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-as-of-August-12-2025.pdf
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	The Audit and Compliance Committee endorsed for Board approval the reappointment of Punongbayan and Araullo (P&A) as the external auditor of RCBC for the fiscal year 2025. The reappointment of P&A was approved by the Board and ratified by the Stockholders representing 2,252,577,080 shares or 100% of the votes during the Annual Stockholder's Meeting held on June 30, 2025. Links/Reference: 2025 SEC Form 17-A (Annual Report), page 102 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Minutes of the 2025 Annual Stockholders' Meeting (Item IX. Appointment of External Auditor) https://www.rcbc.com/uploads/media/06302025-ASM-Minutes.pdf

3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Provide information on or Links: to a document containing the company's reason for removal or change of external auditor.	For 2025, the Bank did not change its External Auditor and it remains to be Punongbayan & Araullo. Links/Reference: 2025 SEC Form 17-A (Annual Report), page 102 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Minutes of the 2025 Annual Stockholders' Meeting (Item IX. Appointment of External Auditor) https://www.rcbc.com/uploads/media/06302025-ASM-Minutes.pdf
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	Provide information on or Links: to a document containing the policy of rotating the lead audit partner every five years.	As stated in the Bank's Corporate Governance Manual, the Bank's external auditor shall be rotated, or the signing part of the external auditor assigned to the Bank shall be changed, every five (5) years or earlier. Link/Reference: Corporate Governance Manual, page 50 (Part XII. Compliance Risk Management, External Auditor) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	Provide Links: to the company's Audit Committee Charter	The duties and responsibilities of the Audit and Compliance Committee (ACC) are provided in the ACC Charter, which is posted in the RCBC website. The ACC's duties and responsibilities include among others, the following: (a) oversight over the internal and external audit functions, (b) ensuring the independence of the external auditors; (c) review the effectiveness of the internal audit function and assess compliance with sound internal auditing standards by commissioning an assessment team outside of the organization to conduct an assessment team outside of the organization to conduct an independent quality assurance review at least every five (5) years. Link/Reference: Audit and Compliance Committee Charter https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-as-of-August-12-2025.pdf

2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	Provide Links: to the company's Audit Committee Charter	The Audit and Compliance Committee (ACC) Charter, which is posted in the RCBC website, provides that the ACC is responsible for the selection of the external auditor, considering professional qualification, independence and effectiveness. Link/Reference: Audit and Compliance Committee Charter https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-as-of-August-12-2025.pdf
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	Provide Links: to the company's Audit Committee Charter	The Audit and Compliance Committee (ACC) Charter which is posted in the RCBC website, provides that the ACC's responsibility includes the selection and endorsement of the external auditor to the Board, based on professional qualifications, independence and effectiveness. Link/Reference: Audit and Compliance Committee Charter https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-as-of-August-12-2025.pdf
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	Provide Links: to the company's Audit Committee Charter	The Audit and Compliance Committee is responsible for monitoring and evaluating the adequacy and effectiveness of the Bank's internal control system. Further, the composition of the Bank's external auditor, Punongbayan and Araullo was presented to the ACC during the presentation of their audit plan on October 14, 2025. Link/Reference: Audit and Compliance Committee Charter https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-as-of-August-12-2025.pdf
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	Disclose the nature of non-audit services performed by the external auditor, if any.	As disclosed in the Annual and Sustainability Report and in the Definitive Information Statement (under The External Auditor), the non-audit fees pertain only to the quarterly financial statements review. Links/References: 2025 Definitive Information Statement, page 26 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf 2025 Annual and Sustainability Report https://www.rcbc.com/sustainability#Annual-and-Sustainability-Reports

2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	Provide link or reference to guidelines or policies on non-audit services	The policies on non-audit services are disclosed in the Audit and Compliance Charter, which is posted in the website. Audit and Compliance Committee Charter https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-as-of-August-12-2025.pdf
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	Provide information on audit and non-audit fees paid.	As disclosed in the Bank's SEC Form 17-A (Annual Report), for the audit of the Group's annual financial statements and services provided in connection with statutory and regulatory filings or engagements, the aggregate amount billed/to be billed, excluding out-of-pocket expenses, by its independent accountant amounted to P12.9 million and P11.7 million for 2025 and 2024, respectively. Additionally, approximately P6.4 million was paid for other services rendered by the independent accountant in 2025. Link/Reference: 2025 SEC Form 17-A (Annual Report), page 71 (Item 8. Information on Independent Accountant and other Related Matters, External Audit Fees and Services) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	Provide information on company's external auditor, such as: 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm.	Name of the audit engagement partner - Maria Isabel (Mabel) E. Comedia Accreditation No: BOA accreditation number 0002/P-005 Date Accredited: September 12,2024 Expiry date of accreditation: August 12, 2027 Name, address, contact number of the auditing firm Name: Punongbayan and Araullo Address: 20th Floor Tower 1, The Enterprise Center, 6766 Ayala Avenue 1200 Makati City Contact Number: +63 2 89882288
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	Provide information on the following: 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC.	RCBC's external auditors, Punongbayan & Araullo (P&A Grant Thornton), is covered by the SEC Oversight Assurance Review (SOAR) Inspection Program, in compliance with SEC Memorandum Circular No. 9, Series of 2017 and as revised by SEC Memorandum Circular No. 12, Series of 2021. P&A Grant Thornton was subjected to SEC Assurance Review (SOAR) in September 2022.
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	RCBC affirms its commitment in ESG as part of the Bank's Risk Governance Framework (RGF). The RGF follows a topdown approach whereby the Board of Directors (BOD) takes ultimate accountability for the risks taken and for setting the tolerance level for these risks. This is discussed in the 2025 Sustainability Report which follows the SEC template requiring disclosures on EESG. The completion and publication of the Sustainability Report falls under the Charter of the Risk Oversight Committee (ROC), a Board-level Committee. Links: Sustainable Finance Framework http://www.rcbc.com/uploads/media/2024-RCBC-Sustainable-Finance-Framework-1.pdf Sustainable Finance Framework Second Party Opinion http://www.rcbc.com/uploads/media/2024-RCBC-Sustainable-Finance-Framework-Second-Party-Opinion.pdf 2025 Sustainability Report *(Attached to the SEC Form 17-A)*, https://www.rcbc.com/uploads/media/RCBC-Annual-Report-%28SEC-Form17-A%29-2025.pdf Annual and Sustainability Report https://www.rcbc.com/sustainability
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	The Bank's Sustainability Report complies with the SEC Memorandum Circular No. 4, Series of 2019 (Sustainability Reporting Guidelines for PLCs). Wherein, the Bank adopts the Global Reporting Initiative's (GRI) Sustainability Reporting Standards, the International Integrated Reporting Council's (IIRC) Integrated Reporting (IR) Framework, the Sustainability Accounting Standards Board's (SASB) Sustainability Accounting Standards, and the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Consistent with the SEC's guidelines on Sustainability Reporting, these four material topics are extensively discussed in RCBC's Sustainability Report: (i) Economic; (ii) Environment; (iii) Social; and (iv) Contributions of RCBC products and services to the UN SDGs. Link/Reference: 2025 Sustainability Report *(Attached to the SEC Form 17-A)*, https://www.rcbc.com/uploads/media/RCBC-Annual-Report-%28SEC-Form17-A%29-2025.pdf Annual and Sustainability Report https://www.rcbc.com/sustainability
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	The media briefings, investor presentations, and financial information (quarterly reporting) are disclosed on the Bank's website. Links/Reference: Investor Presentation and Analyst Briefings Materials https://www.rcbc.com/investor-presentations-and-briefings Disclosures on Analyst Briefings for the following financial results: 1Q 2025 https://edge.pse.com.ph/openDiscViewer.do?edge_no=6bda0b90b1c4f502ec6e1601ccee8f59 2Q 2025 https://edge.pse.com.ph/openDiscViewer.do?edge_no=19922066a6460920ec6e1601ccee8f59 3Q 2025 https://edge.pse.com.ph/openDiscViewer.do?edge_no=2a0af3bb77ae0ea2ec6e1601ccee8f59 Full Year 2025 https://edge.pse.com.ph/openDiscViewer.do?edge_no=1b44df6b537e15dc64d70b69f0a3140b
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		Provide link to company website	The Bank disclosed the following information on its website.
a. Financial statements/reports (latest quarterly)	COMPLIANT		2025 Audited Financial Statements: https://www.rcbc.com/uploads/media/Amended-2025-RCBC-Audited-Financial-Statements.pdf https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf 2025 SEC Form 17-Q as of Sept. 30, 2025 https://www.rcbc.com/uploads/media/RCBC-Quarterly-Report-September-2025.pdf
b. Materials provided in briefings to analysts and media	COMPLIANT		Analyst Briefings materials: 1Q 2025: https://www.rcbc.com/uploads/media/RCBC-Q12025-Analyst-Briefing-(1).pdf 2Q 2025: https://www.rcbc.com/uploads/media/RCBC-Q2-2025-Analyst-Briefing.pdf 3Q 2025: https://www.rcbc.com/uploads/media/RCBC-9M-2025-Analyst-Briefing-VF.pdf Full Year 2025:

			https://www.rcbc.com/uploads/media/RCBC-FY-2025-Analyst-Briefing_VF2.pdf
c. Downloadable annual report	COMPLIANT		2025 Annual Report https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
d. Notice of ASM and/or SSM	COMPLIANT		Notice of 2025 ASM: https://www.rcbc.com/asm2025-materials https://www.rcbc.com/uploads/media/PSE-Disclosure_Notice-of-Annual-or-Special-Stockholders'-Meeting.pdf
e. Minutes of ASM and/or SSM	COMPLIANT		Minutes of 2025 Annual Stockholders' Meeting: https://www.rcbc.com/uploads/media/06302025-ASM-Minutes.pdf
f. Company's Articles of Incorporation and By-Laws	COMPLIANT		Articles of Incorporation: https://www.rcbc.com/uploads/media/RCBC-Amended-Articles-of-Incorporation-with-SEC-Cert-of-Filing-dated-Sep-30,-2022.pdf By-Laws: https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT		The Bank's website is compliant with the prescribed template for publicly-listed companies' websites, as prescribed by the SEC in Memorandum Circular No. 11, Series of 2014 and the SEC Memorandum Circular No. 24, Series of 2019.
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system	As stated in the Audit and Compliance Committee Charter which is posted in the RCBC website, the ACC shall provide oversight over the institution's financial reporting policies, practices and control and internal and external audit functions; shall monitor and evaluate the adequacy and effectiveness of the internal control system and risk management including financial reporting control and information technology security; and shall ensure that a review of the effectiveness of the institution's internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually. Through this comprehensive system of monitoring and review of risks, controls and compliance in the institution, the Board ensures that the Bank and all business units proactively manage the risk and compliance exposures impacting their respective businesses. Link/Reference: Audit and Compliance Committee Charter

			https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-August-12-2025.pdf
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	Identify international framework used for Enterprise Risk Management Provide information or reference to a document containing information on: 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks Indicate frequency of review of the enterprise risk management framework.	RCBC has an established Risk Governance Framework (RGF) which aims to: a. Identify, measure, control, and monitor the risk inherent to the Group's business activities or embedded in its products and portfolios; b. Formulate, disseminate, and observe the corporate risk philosophy, policies, procedures and guidelines; c. Guide risk-taking units in understanding and measuring risk-return profiles in their business transactions; d. Continually develop an efficient and effective risk management infrastructure; and e. Comply with regulations on risk and capital management. The Risk Appetite Framework which includes the Risk Appetite Statement (RAS) and Risk Limits is embedded in RGF. The Bank also has an Internal Capital Adequacy Assessment Process & Recovery Plan (ICAAP-RP) Framework, Operational Risk Framework, Environmental & Social Management System (ESMS), and various risk frameworks and policies owned by the different units. The Risk Governance Framework, which is reviewed annually by the Risk Oversight Committee, is based on the following: a. The Risk Management Principles is based on ISO 31000 11 principles, b. The Three Categories of Risk are based from Harvard Business Review, 2012. Managing Risks: A New Framework; and c. The Risk Appetite Framework is based on 1) Deloitte, 2014. Risk Appetite Frameworks: How to Spot the Genuine Article, Senior Supervisors Group (SSG), 2009, 2) Risk Management Lessons from the Global Banking Crisis of 2008, and 3) As noted of some firms during the 2008 financial crisis, by the Senior Supervisors Group (SSG). Reference: Schedule of Annexes (Annex 6) for the Risk Governance Framework

Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	COMPLIANT	Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations. Indicate frequency of review.	The Bank has a comprehensive enterprise-wide program as reflected in the Compliance Manual covering compliance with relevant laws and regulations. The full copy of the manual will be available upon request. Refer to Annex 15 for the Compliance Program.
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	COMPLIANT	Provide information on IT governance process	As disclosed in the Annual and Sustainability Report and in the SEC Form 20-IS - Information Statement (under The Technology Committee), one of the core oversight functions of the Technology Committee is to review, evaluate and resolve all cyber security issues and disruptions and to monitor disaster recovery activities. Links: https://www.rcbc.com/annual-reports 2026 Preliminary Information Statement, page 66 https://www.rcbc.com/uploads/media/PSE-Disclosure-2026-Preliminary-Information-Statement-May-8-2026.pdf
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	The Bank has in place an independent internal audit team lead by its Chief Audit Executive, Ms. Kristine I. Aguirre ("Ms. Aguirre"). Ms. Aguirre functionally reports to the Board through the Audit and Compliance Committee. Links/References: Audit and Compliance Committee Charter https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-as-of-August-12-2025.pdf Corporate Governance Manual, page 48 (Chief Audit Executive) and page 49 (Internal Audit Function) https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf

Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The Bank's Chief Audit Executive (CAE) is Ms. Kristine I. Aguirre ("Ms. Aguirre")[8]. Ms. Aguirre has nineteen (19) years of experience at leading audit firms, with developed expertise in several key areas. These include corporate governance and board advisory, internal and external audit, internal control over financial reporting, Sarbanes-Oxley assistance services, regulatory compliance, and forensic and enterprise risk management. Additionally, she has a strong background in environmental, social, and governance (ESG) matters. She graduated from University of Santo Tomas with a degree in Bachelor of Science major in Accountancy. Links/References: Profile of Ms. Aguirre: • 2025 SEC FORM 17-A, pages 72-79 (Item 9 - Directors and Executive Officers of the Issuer). https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf • Disclosure on appointment of Ms. Aguirre via PSE EDGE https://edge.pse.com.ph/openDiscViewer.do?edge_no=4c746e47114f6d33ec6e1601ccee8f59 Appointment of Internal Auditor • https://www.rcbc.com/uploads/media/PSE-Disclosure_Change-in-Director-and-Officer---Appointment-of-Kristine-I.pdf • https://edge.pse.com.ph/openDiscViewer.do?edge_no=4c746e47114f6d33ec6e1601ccee8f59 2025 Results of Organizational Meeting of the Board • https://www.rcbc.com/uploads/media/PSE-Disclosure-Amended-1-Results-of-Organizational-Meeting-of-Board-of-Directors.pdf • https://edge.pse.com.ph/openDiscViewer.do?edge_no=c951b4f793e11be7ec6e1601ccee8f59 Specific Duties and Responsibilities • Audit and Compliance Committee Charter https://www.rcbc.com/uploads/media/Audit-and-Compliance-Committee-Charter-August-12-2025.pdf • Corporate Governance Manual, pages 48-49 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf

[8] The Bank has appointed Ms. Kristine I. Aguirre as Chief Audit Executive/Group Head of the Internal Audit Group, effective May 2, 2025.

2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT		As stated in Chief Audit Executive shall be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-partyservice provider. Link: https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	Identify qualified independent executive or senior management personnel, if applicable.	The internal audit function is not outsourced, As stated in the reply in Recommendation 12.2(1), RCBC has an in-house internal audit function.
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	Provide information on company's risk management function.	The risk management functions are performed by the Risk Management Group (RMG). RCBC recognizes that the core banking activity of managing risks is not the sole province of RMG. It is rather a function that cuts across the entire organization. The Three Lines of Defense model was adopted by the Bank. Each line of defense plays a distinct role in managing risk. The responsibilities of the line management are provided in the Risk Governance Framework. RCBC has identified risk types that are inherent with its strategy and business model. The second line of defense (risk & control units) was also identified for each specific risk type. Risk control owners are responsible for developing and implementing a policy framework that reduces or eliminates preventable risks and reduces the likelihood and impact of strategic and external risks. Risk control owners regularly assess each risk type. Link: https://www.rcbc.com/corporate-governance (Enterprise Risk Management) Reference: Schedule of Annexes (Annex 6) for the Risk Governance Framework.
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	Identify source of external technical support, if any.	There is none as the competence in risk management is available internally.
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of	COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	Effective January 1, 2025, the Bank's Chief Risk Officer (CRO) is Mr. Bennett Clarence D. Santiago ("Mr. Santiago"). His profile is disclosed in Item 9 (Directors and Executive Officers of the Issuer) of the 2025 SEC Form 17-A while the duties and responsibilities of the CRO are provided in Part XII.E of the Corporate Governance Manual.

Enterprise Risk Management (ERM).			Links/References: Profile of Mr. Santiago • 2025 SEC Form 17-A (Annual Report), page 81 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf • Disclosure on appointment via PSE EDGE https://edge.pse.com.ph/openDiscViewer.do?edge_no=117c74a738305abfabca0fa0c5b4e4d0 2025 Results of Organizational Meeting of the Board • https://edge.pse.com.ph/openDiscViewer.do?edge_no=c951b4f793e11be7ec6e1601ccee8f59 • https://www.rcbc.com/uploads/media/PSE-Disclosure-Amended-1-Results-of-Organizational-Meeting-of-Board-of-Directors.pdf Functions of CRO: • Corporate Governance Manual, pages 51 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT		As provided in the Bank's Corporate Governance Manual, the Chief Risk Officer shall be the ultimate champion of Enterprise Risk Management and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations. Link: Corporate Governance Manual, page 51 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	Provide link to CEO and CAE's attestation	Please refer to the schedule of Annexes (Annex 16) for the 2025 Attestation that a sound internal audit, control and compliance system is in place and working effectively.
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			

1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	The shareholder rights are disclosed in the Bank's Corporate Governance Manual and is posted in the Bank's website. Link/Reference: Corporate Governance Manual https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website	The basic shareholder rights are disclosed in the Corporate Governance Manual, in the Annual and Sustainability Report and in the SEC Form 20-IS (Preliminary and/or Definitive Information Statement) which are posted in the RCBC website. The basic shareholders rights are disclosed in the Bank's Corporate Governance Manual, Annual and Sustainability Report and in the Information Statement which are all posted in the Bank's website. Links: Corporate Governance Manual https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf Annual and Sustainability Report https://www.rcbc.com/annual-reports https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf 2025 Definitive Information Statement https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf 2026 Preliminary Information Statement https://www.rcbc.com/uploads/media/PSE-Disclosure-2026-Preliminary-Information-Statement-May-8-2026.pdf The Stockholders' Rights and Protection of Minority Stockholders' Interests is also posted under the Investor Relations Program page of the Bank's website. Link: https://www.rcbc.com/investor-relations-program
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT		As stated in the SEC Form 20-IS (Preliminary and Definitive Information Statement), which is posted in the RCBC website, both common and preferred shares of the Bank are entitled to one (1) vote. Link/Reference:

			2025 Definitive Information Statement https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf 2026 Preliminary Information Statement https://www.rcbc.com/uploads/media/PSE-Disclosure-2026-Preliminary-Information-Statement-May-8-2026.pdf
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	Provide information on all classes of shares, including their voting rights if any.	Please refer to the following Links: 2025 Definitive Information Statement https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf Classes of Shares, page 3 Voting Right, pages 67-68 Articles of Incorporation https://www.rcbc.com/uploads/media/RCBC-Amended-Articles-of-Incorporation-with-SEC-Cert-of-Filing-dated-Sep-30,-2022.pdf Amended By-Laws https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Provide link to voting procedure. Indicate if voting is by poll or show of hands.	The voting procedures are disclosed in the Bank's By-Laws, Minutes of the 2025 Annual Stockholders' Meeting and in the 2025 Definitive Information Statement which are posted in the RCBC website. Further, as stated in the Definitive Information Statement under voting procedures, each shareholder may vote in absentia, by remote communication, or by proxy the number of shares of stock standing in his name on the books of the Bank. Each share represents one vote. Voting shall be by balloting. Links/References: Amended By-Laws https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf 2025 Definitive Information Statement, page 3 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf Minutes of the 2025 Annual Stockholders' Meeting https://www.rcbc.com/uploads/media/06302025-ASM-Minutes.pdf

4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	The shareholder voting procedures are disclosed in 2025 Definitive Information Statement. Each share is entitled to one vote, regardless of the proportion of a particular shareholder's holdings. Links/Reference: Amended By-Laws https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf 2025 Definitive Information Statement, page 3 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)	While no Special Stockholders' Meeting was held in 2025. The Bank's By-Laws provides that Special Stockholders' Meeting may be called for any purposes at any time by the Chairman of the Board of Directors, or by the holders of not less than one-third of the subscribed capital stock of the Corporation. Link: https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	Provide information or Links: to the policies on treatment of minority shareholders	The Stockholders' rights and protection of Minority Stockholders' interests is included in the Bank's Corporate Governance Manual Link/Reference: Stockholders' Rights and Protection of Minority Stockholders' Interests https://www.rcbc.com/investor-relations-program https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
7. Company has a transparent and specific dividend policy.	COMPLIANT	Provide information on or Links: to the company's dividend Policy. Indicate if the company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration	Currently, the bank pays out annual dividends to common and preferred shareholders 10 trading days from record date. Record date, on the other hand, is set at 10 trading days after Board approval. See Section III.9 of the Dividend Policy In 2025, the Bank paid the dividends 35 days from the declaration date. Declaration Date: March 31, 2025 Payment Date: May 5, 2025 Link: Declaration of Cash Dividends https://edge.pse.com.ph/openDiscViewer.do?edge_no=69f23a7e3f6f495cec6e1601ccee8f59 Reference: Schedule of Annexes (Annex 17) for the Bank's Dividend Policy.

Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	Identify the independent party that counted/validated the votes at the ASM, if any.	Based on the Minutes of the 2025 Annual Stockholders' Meeting, the Bank has engaged an independent party, Punongbayan & Araullo, to count and/or validate the votes of the meeting. Link/Reference: Minutes of the 2025 Annual Stockholders' Meeting https://www.rcbc.com/uploads/media/06302025-ASM-Minutes.pdf
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	COMPLIANT	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)	The Initial Notice of the Annual Stockholders' Meeting ("ASM") was disclosed to the PSE via PSE EDGE on April 28, 2025 and published on April 29, 2025 which is 62 days from the date of ASM. The amended Notice of ASM reflecting the record date and details of the ASM was submitted on May 5, 2025 and published on May 6, 2025 which is 56 days from the date of ASM. The 2025 Definitive Information Statement was disclosed and sent out on May 14, 2025, which is 47 days prior to the ASM. Links: Notice of ASM: • PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=0663849f9de50512ec6e1601ccee8f59 https://edge.pse.com.ph/openDiscViewer.do?edge_no=5eac196582e77203ec6e1601ccee8f59 • RCBC Website: https://www.rcbc.com/uploads/media/PSE-Disclosure_Notice-of-Annual-or-Special-Stockholders'-Meeting.pdf Preliminary Information Statement: • PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=84bc32e76bb42789ec6e1601ccee8f59 • RCBC Website: https://www.rcbc.com/uploads/media/PSE-Disclosure-2025-Preliminary-Information-Statement---May-5,-2025_with-ATTACHMENT.pdf Definitive Information Statement:

			• PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=8ad6aa9d38aede68ec6e1601ccee8f59 • RCBC Website: https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	COMPLIANT	Provide link or reference to the company's notice of Annual Shareholders' Meeting	The Bank's Notice of Annual Stockholders' Meeting submitted to the SEC and PSE is posted on the RCBC website. The profiles of directors, auditors seeking reappointment, proxy documents and rationale for each agenda item are enclosed in the SEC Form 20-IS Preliminary and Definitive Information Statement. Links: Notice of Annual Stockholders' Meeting: • PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=0663849f9de50512ec6e1601ccee8f59 https://edge.pse.com.ph/openDiscViewer.do?edge_no=5eac196582e77203ec6e1601ccee8f59 • RCBC Website: https://www.rcbc.com/uploads/media/PSE-Disclosure_Notice-of-Annual-or-Special-Stockholders'-Meeting.pdf Preliminary Information Statement: • PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=84bc32e76bb42789ec6e1601ccee8f59 • RCBC Website: https://www.rcbc.com/uploads/media/PSE-Disclosure-2025-Preliminary-Information-Statement---May-5,-2025_with-ATTACHMENT.pdf Definitive Information Statement: • PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=8ad6aa9d38aede68ec6e1601ccee8f59 • RCBC Website:
• The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT		
• Auditors seeking appointment/re-appointment	COMPLIANT		
• Proxy documents	COMPLIANT		

			https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	Provide link or reference to the rationale for the agenda items	The rationale for the agenda items for the Annual Stockholders' Meeting is disclosed in the Notice of Annual Stockholders Meeting and in the Preliminary and Definitive Information Statement. Links: Notice of Annual Stockholders' Meeting: ● PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=0663849f9de50512ec6e1601ccee8f59 https://edge.pse.com.ph/openDiscViewer.do?edge_no=5eac196582e77203ec6e1601ccee8f59 ● RCBC Website: https://www.rcbc.com/uploads/media/PSE-Disclosure_Notice-of-Annual-or-Special-Stockholders'-Meeting.pdf Preliminary Information Statement: ● PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=84bc32e76bb42789ec6e1601ccee8f59 ● RCBC Website: https://www.rcbc.com/uploads/media/PSE-Disclosure-2025-Preliminary-Information-Statement---May-5,-2025_with-ATTACHMENT.pdf Definitive Information Statement: ● PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=8ad6aa9d38aede68ec6e1601ccee8f59 ● RCBC Website: https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting	COMPLIANT	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	The Annual Stockholders' Meeting (ASM) and the Organizational Board Meeting were held on June 30, 2025. The results of the ASM and Organizational Meeting were immediately disclosed to the PSE on the same day, June 30, 2025 and subsequently posted in the PSE Edge website and RCBC website on July 1, 2025.

publicly available the next working day.			Results of Annual Stockholders' Meeting • PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=67916226e5cfbfb5ec6e1601ccee8f59 • RCBC Website: https://www.rcbc.com/uploads/media/PSE-Disclosure-Amended-1-Results-of-Annual-or-Special-Stockholders'-Meeting.pdf Results of Organizational Meeting • PSE EDGE: https://edge.pse.com.ph/openDiscViewer.do?edge_no=c951b4f793e11be7ec6e1601ccee8f59 • RCBC Website: https://www.rcbc.com/uploads/media/PSE-Disclosure-Amended-1-Results-of-Organizational-Meeting-of-Board-of-Directors.pdf Minutes of the Annual Stockholders' Meeting: https://www.rcbc.com/uploads/media/06302025-ASM-Minutes.pdf
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any	The Minutes of the Annual Stockholders' Meeting, held on June 30, 2025, fully disclose all relevant details. The meeting provided stockholders with the opportunity to participate. The voting results, including the approving, dissenting, and abstaining votes, are included in the Minutes. Link: https://www.rcbc.com/uploads/media/06302025-ASM-Minutes.pdf
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting	As disclosed in the Minutes of the Annual Stockholders' Meeting (ASM), all the members of the Board of Directors, other officers of the Bank and representatives of Punongbayan & Araullo were in attendance through the live webcast of the ASM. Link: https://www.rcbc.com/uploads/media/06302025-ASM-Minutes.pdf

Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	The alternative dispute mechanism is provided in Part XV.7 of the Corporate Governance Manual on Grievance Procedures which states that: "The Bank hereby adopts an arbitration system to resolve any dispute, controversy, or claim arising out of, or relating to, the Bank's relations with its shareholders, and other intra-corporate matters under applicable law and regulations, in accordance with the Philippine Dispute Resolution Center, Inc. (PDRCI) Arbitration Rules, in accordance with The Arbitration Law and R.A. No. 9285, otherwise known as The Alternative Dispute Resolution Act of 2004." Link: Grievance Procedure Corporate Governance Manual, page 60 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	Provide Links: to where it is found in the Manual on Corporate Governance	Part XVIII. G of the Corporate Governance Manual on Grievance Procedures states that: "The Bank hereby adopts an arbitration system to resolve any dispute, controversy, or claim arising out of, or relating to, the Bank's relations with its shareholders, and other intra-corporate matters under applicable law and regulations, in accordance with the Philippine Dispute Resolution Center, Inc. (PDRCI) Arbitration Rules, in accordance with The Arbitration Law and R.A. No. 9285, otherwise known as The Alternative Dispute Resolution Act of 2004." The CG Manual is posted on the Bank's website. Link: https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address	The Bank's Head of Corporate Planning Group and Corporate Information Officer is Ms. Maria Christina P. Alvarez. She may be reached through the following: *Telephone number - 8894 9000* *E-mail address - Investor_Relations@rcbc.com* SHAREHOLDER ASSISTANCE AND SERVICES Investor Relations Yuchengco Tower, RCBC Plaza Tower 1 Ayala Avenue, Makati City 1226 Philippines Links: https://www.rcbc.com/investor-relations https://www.rcbc.com/investor-assistance

IRO is present at every shareholder's meeting.	COMPLIANT	Indicate if the IRO was present during the ASM.	Yes, the IRO was present during the 2025 Annual Stockholders' Meeting. Link/Reference: Minutes of the Annual Stockholders' Meeting, Annex A - List of Attendees Including Directors and Officers Present https://www.rcbc.com/uploads/media/06302025-ASM-Minutes.pdf
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	There are no anti-takeover measures or similar devices that may entrench ineffective management. The Bank respects the rights of its shareholders including the minority shareholders. Link: Stockholders' Rights and Protection of Minority Stockholders' Interests Corporate Governance Manual, pages 58-60 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	COMPLIANT	Indicate the company's public float.	As of December 31, 2025, the Bank's public float is 14.27%, maintaining compliance with the minimum regulatory public float requirement. Link: https://edge.pse.com.ph/openDiscViewer.do?edge_no=f65894496808a67d64d70b69f0a3140b
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	Disclose or provide Links: to policies and practices to encourage shareholders' participation beyond ASM	The Corporate Information Officer (CIO) is responsible for efficiently providing information and addressing concerns of its shareholders and other stakeholders through the Bank webpage which provides complete information about the Bank in a form that is user-friendly. Likewise, the Bank engages stockholders', investors and even media to participate in its Investor and/or Media/Analysts Briefings. The disclosure and/or announcement is published in the Company website and submitted to the PSE via PSE EDGE. Link: Investor Relations Program https://www.rcbc.com/investor-relations-program Investor & Media Briefings https://www.rcbc.com/briefings

2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	COMPLIANT	Disclose the process and procedure for secure electronic voting in absentia, if any.	Section 1.e Article IV of the By-Laws states that any stockholder shall be allowed to vote either in person or by proxy duly executed in writing, signed by the person represented and presented to the Secretary before the meeting commences. The electronic voting in absentia (allowed via email) was allowed in 2020. As allowed by the Revised Corporation Code and the rules of the SEC, the Board approved voting in absentia for the 2025 ASM on April 28, 2025. The procedures for the ASM are disclosed in the SEC Form 20-IS (Definitive Information Statement) and the Amended Notice of Annual Stockholders' Meeting posted on the website. Links: Amended By-Laws https://www.rcbc.com/Content/Web/img/about/pdf/AMENDED_BYLAWS_2018.pdf 2025 Preliminary Information Statement, page 3 (Manner of Voting) https://www.rcbc.com/uploads/media/PSE-Disclosure-2025-Preliminary-Information-Statement---May-5,-2025_with-ATTACHMENT.pdf 2025 Definitive Information Statement, page 3 (Manner of Voting) https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf Notice of Annual Stockholder's Meeting https://www.rcbc.com/uploads/media/PSE-Disclosure_Notice-of-Annual-or-Special-Stockholders'-Meeting.pdf Minutes of the 2025 Annual Stockholder's Meeting https://www.rcbc.com/uploads/media/06302025-ASM-Minutes.pdf
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	The Bank's stakeholders and the policies and programs for its stakeholders are disclosed in the 2025 Sustainability Report and in the Sustainable Finance Framework which is posted in the RCBC website. Links/Reference: Annual and Sustainability Report https://www.rcbc.com/sustainability#Annual-and-Sustainability-Reports https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Sustainability Finance Framework https://www.rcbc.com/uploads/media/2024-RCBC-Sustainable-Finance-Framework-1.pdf

Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Identify policies and programs for the protection and fair treatment of company's stakeholders	The Bank's By-Laws treat all shares equally. The stockholders' rights and protection of minority stockholders' interests are also provided in the Corporate Governance Manual. Links: Amended By-Laws https://www.rcbc.com/uploads/media/AMENDED-BY-LAWS-2018-(FDIST).pdf Stockholders' Rights and Protection of Minority Stockholders' Interests Corporate Governance Manual, pages 58-60 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders	The Bank's whistleblowing policy is disclosed in the website: Link: https://www.rcbc.com/Content/Web/img/news-promos/pdf/aboutus/Whistleblowing%20Policy_approved%20July%202017_updated%20July%202018.pdf To give everyone an additional channel to raise concerns accordingly, an anonymous reporting system ("Talk to Us") is available at the bottom portion of the company website, www.rcbc.com. This reporting tool aims to further mitigate risks and losses through the early discovery of irregular activities. Link: https://www.rcbc.com/talktous
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	Provide information on the alternative dispute resolution system established by the company.	The alternative dispute resolution system is provided in the Corporate Governance Manual on Grievance Procedure which states that: The Bank hereby adopts an arbitration system to resolve any dispute, controversy, or claim arising out of, or relating to, the Bank's relations with its shareholders, and other intra-corporate matters under applicable law and regulations, in accordance with the Philippine Dispute Resolution Center, Inc. (PDRCI) Arbitration Rules, in accordance with The Arbitration Law and R.A. No. 9285, otherwise known as The Alternative Dispute Resolution Act of 2004. Link: Grievance Procedure Corporate Governance Manual, page 60 https://www.rcbc.com/uploads/media/CGFD_Rizal-Commercial-Banking-Corporation_Corporate-Governance-Manual_February-2026.pdf

Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	COMPLIANT	Disclose any requests for exemption by the company and the reason for the request.	No exemption was sought.
2. Company respects intellectual property rights.	COMPLIANT	Provide specific instances, if any.	The Bank respects intellectual property rights in the conduct of its business. There are no cases filed against the Bank for violation of Intellectual Property rights.
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	Identify policies, programs and practices that address customers' welfare or provide Links: to a document containing the same.	The Financial Consumer Protection Framework and complaints handling mechanisms are disclosed in the Annual and Sustainability Report under Risk and Capital Management section and in the Sustainability Report under Customer Management. Link : https://www.rcbc.com/annual-reports 2025 Sustainability Report (attached to the SEC Form 17-A - Annual Report), pages 71-72 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf 2024 Sustainability Report, pages 61-63 https://www.rcbc.com/uploads/media/RCBC-Sustainability-Report-2024.pdf
2. Company discloses its policies and practices that address supplier/contractor selection procedures	COMPLIANT	Identify policies, programs and practices that address supplier/contractor selection procedures or provide Links: to a document containing the same.	The supplier/contractor selection and criteria policy of the Bank is disclosed in the SEC Form 20-IS (Definitive Information Statement), which is posted in the RCBC website. Likewise, the Bank's Supplier accreditation policy is stated in its Supplier Chain Management discussed in the 2025 Sustainability Report. Link: Supplier/Contractor Selection and Criteria 2025 Definitive Information Statement, pages 77-78 https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf Supplier Chain Management 2025 Sustainability Report (attached to the SEC Form 17-A - Annual Report), pages 62-65

			https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Provide information on or Links: to company policies, programs and procedures that encourage employee participation.	The Workplace Conditions, Labor Standards, and Human Rights policies of the Bank are discussed in the Social section of the 2025 Sustainability Report. Link: 2025 Sustainability Report (attached to the SEC Form 17-A - Annual Report), pages 59-61 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	The Compensation and Rewards Program of the Bank is disclosed under the Employee Management portion of the Social section of the 2025 Sustainability Report. The Remuneration Policy is also disclosed in the Annual and Sustainability Report under Social Contributions section. Links: 2025 Sustainability Report (attached to the SEC Form 17-A - Annual Report), pages 49-50 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf https://www.rcbc.com/sustainability
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.	The Substance Abuse and Health & Safety Policies of the Bank are disclosed under the Workplace Conditions, Labor Standards, and Human Rights portion of the Social section of 2025 Sustainability Report which is posted in the RCBC website. The employee welfare and well-being are also discussed in the Annual and Sustainability Report under Social Distributions section. Links: 2025 Sustainability Report (attached to the SEC Form 17-A - Annual Report), pages 60-61 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf https://www.rcbc.com/sustainability
3. Company has policies and practices on training and development of its employees.	COMPLIANT	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.	The Bank's policies and practices on Employee Training and Development are discussed in the Social section of the 2025 Sustainability Report and in the Sustainability and Impact Report under Social Contributions. Links: 2025 Sustainability Report (attached to the SEC Form 17-A - Annual Report), pages 51-52 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Sustainability and Impact Report, page 58

			https://www.rcbc.com/uploads/media/RCBC-Sustainability-and-Impact-Report-2023-24May2024-1.pdf
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Identify or provide Links: to the company's policies, programs and practices on anti-corruption	The Bank's anti-corruption policies and procedures are discussed in the Business Ethics section of the 2025 Sustainability Report and in the Sustainability and Impact Report. Links: 2025 Sustainability Report (attached to the SEC Form 17-A - Annual Report), pages 27-30 https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Sustainability and Impact Report, pages 34-35 https://www.rcbc.com/uploads/media/RCBC-Sustainability-and-Impact-Report-2023-24May2024-1.pdf https://www.rcbc.com/sustainability
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Identify how the board disseminated the policy and program to employees across the organization	The Bank's policies and programs are discussed to all new employees in the Employee Orientation Program/ Branch Induction Program. As part of the continuing education of the employees, the Bank has developed an e-learning program on the various company policies which include, among others, Anti-Money Laundering Act, Related Party Transactions Policy, Data Privacy, etc. The Company Policies are also disclosed in the Bank's website which can be accessed by everybody. Links: https://www.rcbc.com/uploads/media/Code-of-Conduct-(Rev.pdf https://www.rcbc.com/corporate-governance (under Company Policies)
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	Identify or provide Links: to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy.	The policy and procedures on penalizing employees involved in corrupt practices are discussed in the Code of Conduct, which is disclosed in the bank's website. Link: Code of Conduct, pages 23-29 https://www.rcbc.com/uploads/media/Code-of-Conduct-(Rev.pdf
Recommendation 15.3			

1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	Disclose or provide Links: to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.	The Bank has its Whistleblowing Policy that ensures that its employees and stakeholders have the confidence to raise concerns about any behavior or practice and to mitigate risks and losses through early discovery of irregular activities. The said policy provides specific guidelines and procedures on whistleblowing and how to treat reports of such nature. It also intends to protect the rights of employees making the report under such policy. The Bank's Whistleblowing Policy is disclosed on the Company website. Links: https://www.rcbc.com/Content/Web/img/news-promos/pdf/aboutus/Whistleblowing%20Policy_approved%20July%202017_updated%20July%202018.pdf Any person may report such concerns thru the "Talk to Us" portal/link found in the Bank's website: Link: https://www.rcbc.com/talktous
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT		The Bank's Whistleblowing Policy is disclosed on RCBC's website: Link: https://www.rcbc.com/Content/Web/img/news-promos/pdf/aboutus/Whistleblowing%20Policy_approved%20July%202017_updated%20July%202018.pdf
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	The policy provides that the Human Resources Group shall monitor all reported cases, and shall make a quarterly report to the Corporate Governance Committee on the number of reports received, actions taken and the latest status of each case. Link: https://www.rcbc.com/Content/Web/img/news-promos/pdf/aboutus/Whistleblowing%20Policy_approved%20July%202017_updated%20July%202018.pdf
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	The Bank's Corporate Social Responsibility efforts are discussed in the RCBC website as well as in the **2025** Sustainability Report, under the Environment section, which is also posted in the RCBC website. Links: Sustainable Finance https://www.rcbc.com/sustainability Sustainable Finance Framework https://www.rcbc.com/uploads/media/2024-RCBC-Sustainable-Finance-Framework-1.pdf 2025 Sustainability Report (Attached to the SEC Form 17-A/Annual Report) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf Corporate Social Responsibility https://www.rcbc.com/corporate-governance
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	Identify or provide Links: to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	The Bank's efforts in ensuring an environmentally-friendly value chain are supported by its Environmental and Social Management System (ESMS) and Sustainable Finance Framework, which are disclosed in the RCBC website. The environment-friendly value chain is also discussed in the **2025** Annual and Sustainability Report and in the Definitive Information Statement which is also posted in the RCBC website. Links: Sustainable Finance https://www.rcbc.com/sustainability Sustainable Finance Framework https://www.rcbc.com/uploads/media/2024-RCBC-Sustainable-Finance-Framework-1.pdf 2025 Sustainability Report (Attached to the SEC Form 17-A/Annual Report) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf 2025 Definitive Information Statement https://www.rcbc.com/uploads/media/Filed-Definitive-Information-Statement-2025-with-annexes_amended.pdf

2. Company exerts effort to interact positively with the communities in which it operates	COMPLIANT	Identify or provide Links: to policies, programs and practices to interact positively with the communities in which it operate.	The Bank's Corporate Social Responsibility efforts are discussed in the RCBC website as well as in the 2025 Sustainability Report, under the Environment section, which is also posted on RCBC's website. Links: RCBC's Corporate Social Responsibility https://www.rcbc.com/corporate-governance 2025 Sustainability Report (Attached to the SEC Form 17-A/Annual Report) https://www.rcbc.com/uploads/media/RCBC-Annual-Report-(SEC-Form17-A)-2025.pdf

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report (I-ACGR) is signed on behalf of the registrant by the undersigned.

[redacted]

Helen Y. Dee
Chairman of the Board

[redacted]

Reginaldo Anthony B. Cariaso
President & CEO

[redacted]

Sheila Ricca G. Dioso
Chief Compliance Officer

[redacted]

George Gilbert G. Dela Cuesta
Corporate Secretary

ACKNOWLEDGEMENT

Republic of the Philippines)

Makati City)S.S.

MAY 26 2026

BEFORE ME, a duly authorized Notary Public for and in _____City on_____, 2026 personally appeared before me, the following, who are personally known to me and / or identified through competent evidence of identity and with community tax certificate/s, to wit:

Helen Y. Dee	[redacted]
Reginaldo Anthony B. Cariaso	
George Gilbert G. dela Cuesta	
Sheila Ricca G. Dioso	

[redacted]

ATTY. CATALINO VICENTE L. ARABIT
Notary Public for Makati City
Appointment No. M-[illegible] (2025-2026)
Until 31 December 2026
PTR NO. 10765[illegible]-01-05-26;Makati City
IBP INV.NO. 273064 ; 12-26-25; Makati City
ROLL NO. 40146
MCLE COMPLIANCE No. VIII-0007518-15 Mar. 2024
21st Floor Yuchengco Tower 2, RCBC Plaza
Ayala Avenue, Makati City

Doc. No. 66
Page No. 14
Book No. 337
Series of 2026

Pursuant to the requirements of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report (I-ACGR) is signed on behalf of the registrant by the undersigned.

[redacted]

Laurito E. Serrano
Independent Director

ACKNOWLEDGEMENT

Republic of the Philippines)

Makati City)S.S.

BEFORE ME, a duly authorized Notary Public for and in MAKATI CITY City on MAY 26 2026, 2026 personally appeared before me, the following, who are personally known to me and / or identified through competent evidence of identity and with community tax certificate/s, to wit:

Laurito E. Serrano	[redacted]

Doc. No. 660
Page No. 73
Book No. 387
Series of 2026

ATTY. CATALINO VICENTE L. ARABIT
NOTARY PUBLIC
Notary Public for Makati City
Appointment No. M-027(2025-2026)
Until 31 December 2026
PTR NO. 10[illegible]-01-05-26;Makati City
IBP INV.NO. [illegible]-12-26-25; Makati City
ROLL NO. 45145
MCLE COMPLIANCE No. VIII-0007518-15 Mar. 2024
21st Floor Yuchengco Tower 2, RCBC Plaza
Ayala Avenue, Makati City

Pursuant to the requirements of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report (I-ACGR) is signed on behalf of the registrant by the undersigned.

[redacted]

Daniel Gabriel M. Montecillo
Independent Director

ACKNOWLEDGMENT

Republic of the Philippines)

Makati City)S.S.

BEFORE ME, a duly authorized Notary Public for and in MAY 26 2026 City on MAKATI CITY, 2026 personally appeared before me, the following, who are personally known to me and / or identified through competent evidence of identity and with community tax certificate/s, to wit:

Daniel Gabriel M. Montecillo	[redacted]

Doc. No. 59
Page No. 13
Book No. 787
Series of 2026

ATTY. CATALINO VICENTE L. ARABIT
NOTARY PUBLIC
Notary Public for Makati City
Appointment No. M-027(2025-2026)
Until 31 December 2026
PTR NO. 10765556;01-05-26;Makati City
IBP INV.NO. 573064 ;12-26-25; Makati City
ROLL NO. 40145
MCLE COMPLIANCE No. VIII-0007518-15 Mar. 2024
21st Floor Yuchengco Tower 2, RCBC Plaza
Ayala Avenue, Makati City

Pursuant to the requirements of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report (I-ACGR) is signed on behalf of the registrant by the undersigned.

[redacted]
Carlos G. Dominguez
Independent Director

ACKNOWLEDGMENT

Republic of the Philippines)

Makati City)S.S.

MAY 26 2026

BEFORE ME, a duly authorized Notary Public for and in MAKATI CITY City on _____, 2026 personally appeared before me, the following, who are personally known to me and / or identified through competent evidence of identity and with community tax certificate/s, to wit:

Carlos G. Dominguez	[redacted]

Doc. No. 58
Page No. 13
Book No. XXI
Series of 2026

ATTY. CATALINO VICENTE L. ARABIT
Notary Public for Makati City
Appointment No. M-027 (2025-2026)
Until 31 December 2026
PTR NO. 10765568;01-05-26;Makati City
IBP INV.NO. 573064 ; 12-26-25; Makati City
ROLL NO. 40145
MCLE COMPLIANCE No. VIII-0007518-15 Mar. 2024
21st Floor Yuchengco Tower 2, RCBC Plaza
Ayala Avenue, Makati City

NOTARY PUBLIC

Pursuant to the requirements of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report (I-ACGR) is signed on behalf of the registrant by the undersigned.

[redacted]

Alberto M. de Larrazabal
Independent Director

ACKNOWLEDGMENT

Republic of the Philippines)

Makati City)S.S.

MAKATI CITY MAY 26 2026

BEFORE ME, a duly authorized Notary Public for and in _____City on_____, 2026 personally appeared before me, the following, who are personally known to me and / or identified through competent evidence of identity and with community tax certificate/s, to wit:

Alberto M. de Larrazabal	[redacted]

ATTY. CATALINO VICENTE L. ARABIT
NOTARY PUBLIC
Appointment No. M-027(2025-2026)
Until 31 December 2026
PTR NO. 107e5555;01-05-26;Makati City
IBP INV.NO. 57J05H;12-26-25; Makati City
ROLL NO. 40145
MCLE COMPLIANCE No. VIII-0007518-15 Mar. 2024
21st Floor Yuchengco Tower 2, RCBC Plaza
Ayala Avenue, Makati City

Doc. No. 57
Page No. 13
Book No. 219
Series of 2026

Pursuant to the requirements of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report (I-ACGR) is signed on behalf of the registrant by the undersigned.

Alexander A. Patricio
Independent Director

ACKNOWLEDGMENT

Republic of the Philippines)

Makati City)S.S.

BEFORE ME, a duly authorized Notary Public for and in _____City on_____, 2026 personally appeared before me, the following, who are personally known to me and / or identified through competent evidence of identity and with community tax certificate/s, to wit:

Alexander A. Patricio	Passport No. P4581427B valid until January 26, 2030

Doc. No.___
Page No.___
Book No.___
Series of 2026

NOTARY PUBLIC

RCBC
Partners Through Generations

May 21, 2026

Dir. Rachel Esther J. Gumtang-Remalante
Corporate Governance and Finance Division
Securities and Exchange Commission
8/F SEC Headquarters
7907 Makati Avenue
Makati City

Subject : Request for Exemptive Relief - SEC Memorandum Circular No. 15, Series of 2017 (Incomplete Signatory in 2025 I-ACGR Submission)

Dear Director Gumtang – Remalante,

On behalf of Rizal Commercial Banking Corporation ("RCBC" or the "Bank"), we hereby respectfully request exemptive relief from the application of the penalty provision of SEC Memorandum Circular No. 15, Series of 2017 for an incomplete signatory in submitting the 2025 Integrated Annual Corporate Governance Report ("I-ACGR") due on May 30, 2026.

RCBC has timely completed the I-ACGR template, and as part of the vetting process, it was discussed and presented to its Corporate Governance Committee for endorsement, with final Board approval slated for the meeting on May 23, 2026. Furthermore, pertinent updates were reviewed by the directors and key senior management officers during the board assessment session. However, Independent Director Mr. Alexander A. Patricio ("Mr. Patricio") is unable to provide his signature for the 2025 I-ACGR prior to the May 30, 2026 deadline, as he is not expected to return until the first week of June.

In light of these circumstances, RCBC respectfully requests that the Commission grant its exemptive relief application and allow it to submit the 2025 I-ACGR without Mr. Patricio's signature at this time, but with an undertaking that it shall submit an amended version that is fully signed by all the required signatories and duly notarized. Upon fulfillment of this undertaking, RCBC would like to request the Commission's consideration that it be treated as full compliance with the I-ACGR requirements.

Thank you for your attention to this matter and we look forward to your favorable consideration.

Very truly yours,

RIZAL COMMERCIAL BANKING CORPORATION

By:

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer

[redacted]

ATTY. MIKHAIL R. ROMULO
Head, Compliance Oversight Officer

RCBC
Partners Through Generations

UNDERTAKING

I, Sheila Ricca G. Dioso, Chief Compliance Officer of Rizal Commercial Banking Corporation ("RCBC"), do hereby undertake to submit the amended Bank's 2025 Integrated Annual Corporate Governance Report (I-ACGR) bearing the signature of Mr. Alexander A. Patricio, Independent Director of RCBC who is presently out of the country, immediately upon its receipt, which should not be later than the end of June 2026.

[redacted]

Sheila Ricca G. Dioso
Chief Compliance Officer

SUBSCRIBED AND SWORN TO before me this MAY 21 2026 day of ____2026, affiant exhibited to me her Competent Evidence of Identity as shown below:

Sheila Ricca G. Dioso	[redacted]

[redacted]

ATTY. CATALINO VICENTE L. ARABIT
Notary Public for Makati City
(Appointment No. M-[illegible] (2025-2026)
Until 31 December 2026
PTR NO. 10765558;01-05-26;Makati City
IBP INV.NO. 573054 ;12-26-25; Makati City
ROLL NO. 40145
MCLE COMPLIANCE No. VIII-0007518-15 Mar. 2024
21st Floor Yuchengco Tower 2, RCBC Plaza
Ayala Avenue, Makati City

NOTARY PUBLIC

Doc. No 339
Page No. 77
Book No. 784
Series of 2026

Schedule of Annexes

Annex	File Name	Recommendation No.
1	2025 Annual Training of the Directors and Key Officers	Recommendation 1.3.3, Recommendation 1.5.3, and Recommendation 1.6.4
2	Proof of distribution of materials five (5) days before the Board meeting	Optional: Recommendation 1.5, Recommendation 2.1 and Recommendation 4.1.2
3	Sample excerpts of the Board Minutes of the Meeting	Recommendation 2.1
4	Board minutes on the discussion involving board plan and strategy	Recommendation 2.2 and Optional Principle 4.1
5	Performance Management Framework	Recommendation 2.9
6	2025 Risk Governance Framework	Recommendation 2.11.2, Recommendation 12.1.2 and Recommendation 12.4
7	ACC Minutes on the approval of the non-audit services of the External Auditor	Supplement to Recommendation 3.2
8	Board minutes showing attendance and participation of Board members via videoconferencing	Recommendation 4.1.1
9	Board minutes showing board members' engagement in the discussion	Recommendation 4.1.3
10	Various memos to the Corporate Governance Committee (CG Com) for additional directorships and Excerpts of the Minutes showing CG Com's endorsement and approval by the Board.	Recommendation 4.3.1
11	Board minutes involving abstentions from voting	Recommendation 5.6

Annex	File Name	Recommendation No.
12	NEDs separate meeting with Control Unit Heads and External Auditor (Agenda)	Supplement to Recommendation 3.2.2, 5.7.1 and 5.7.2
13	May 2026 Minutes of the CGN Com Meeting re Results of 2025 Board Evaluation	Recommendation 6.1.1
14	Letter of Confirmation_Korn Ferry	Recommendation 6.1.5
15	Compliance Program	Supplement to Recommendation 12.1
16	Attestation of the CEO, CAE and CCO	Additional Recommendation to Principle 12
17	Dividend Policy	Supplement to Recommendation 13.1

YUCHENGCO GROUP OF COMPANIES

ANNEX 1

This

Certificate of Attendance

is presented to

George Gilbert G. dela Cuesta

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Sheila Ricca G. Dioso

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Helen Y. Dee

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Cesar E.A. Virata

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Reginaldo Anthony B. Cariaso

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Eugene S. Acevedo

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Atty. Lilia B. De Lima

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Armando M. Medina

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Alexander A. Patricio

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Carlos G. Dominguez

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Daniel Gabriel M. Montecillo

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Erika Fille T. Legara

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Hiroki Nakatsuka

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

John Law

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Juan B. Santos

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Katsufumi Uchida

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Shih-Chiao (Joe) Lin

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

YUCHENGCO GROUP OF COMPANIES

This

Certificate of Attendance

is presented to

Yasunori Takahashi

Rizal Commercial Banking Corporation

for attending and participating in the

2025 YGC Annual Corporate Governance Seminar

"Strategy in Motion: The Evolving Role of Governance"

27 September 2025 (8:30 a.m. – 12:30 p.m.) via Zoom

[redacted]

SHEILA RICCA G. DIOSO
Chief Compliance Officer and Head, Compliance Group
Rizal Commercial Banking Corporation

ANNEX 2

Optional: Recommendation 1.5, Recommendation 2.1 and Recommendation 4.1.2

Proof of distribution of materials five (5) days before the Board meeting and Board materials were given in advance

Board Papers are generally released to the Board 5 business days (1 calendar week) before the meeting.
Screenshot of sample dates of sending out of materials

Corporate Secretari...	Inbox	[RESTRICTED] RCBC Board Meeting Material - October 27, 2025 - Part 1 of 1
Corporate Secretari...	Inbox	[RESTRICTED] RCBC Board Meeting Material - September 29, 2025 - Part 1 of 1
Corporate Secretari...	Inbox	[RESTRICTED] RCBC Board Meeting Material - August 26, 2025 (as August 25, 2025 is a national holiday) - Pa...
me	Inbox	[RESTRICTED] RCBC Board Meeting Material - July 28, 2025 (2:30 PM) - Part 1 of 1
me	Inbox	[RESTRICTED] RCBC Board Meeting Material for Executive Session - June 30, 2025 - Part 1 of 1
me	Inbox	[RESTRICTED] RCBC Board Meeting Material - June 30, 2025 - Part 1 of 1
Corporate Secretari...	Inbox	[RESTRICTED] RCBC Board Meeting Material - May 26, 2025 - Part 1 of 1
Corporate Secretari...	Inbox	[RESTRICTED] RCBC Board Meeting Material - April 28, 2025 - Part 1 of 1
Corporate Secretari...		[RESTRICTED] RCBC Board Meeting Material for Executive Session - March 31, 2025 - Part 1 of 1
me	Inbox	[RESTRICTED] RCBC Board Meeting Material - March 31, 2025 - Part 1 of 1
Corporate Secretari...	Inbox	[RESTRICTED] RCBC Board Meeting Material - February 24, 2025 - Part 1 of 1
me	Inbox	[RESTRICTED] RCBC Board Meeting Material - January 27, 2025 - Part 1 of 1

Good day!

Attached is the Material for the **January Meeting of the Board to be held at the RCBC Boardroom (for the Directors, Advisory Board, and presenters)** and via Zoom Conference (for SMC and those sharing slides for directors and presenters) **on January 27, 2025**, for downloading to your iPad/device.

For those unable to attend face-to-face, Zoom details for the meeting (which will be recorded) are as follows:
Topic: January 27, 2025 Board Meeting
Time: 02:00 PM Asia/Manila

Join Zoom Meeting
https://us02web.zoom.us/j/82763945527?pwd=qiIlSb7mxDnkHePXybHtdo0HUvN75t.1

Meeting ID: 827 6394 5527
Passcode: BoDJan2025

The attached files have the following items:

1. A. - January 27, 2025 Board Agenda
2. A.1. - November 25, 2024 - Board Minutes
3. A.1. - December 9, 2024 - Board Minutes
4. A.2. - List of Accounts Approved by the Executive Committee
5. A.2. - Executive Committee Minutes for November 13, 2024
6. A.2. - Executive Committee Minutes for November 20, 2024
7. A.2. - Executive Committee Minutes for November 27, 2024
8. A.2. - Executive Committee Minutes for December 4, 2024
9. A.2. - Executive Committee Minutes for December 11, 2024
10. A.2. - Executive Committee Minutes for January 8, 2025
11. B. - Confirmation of Matters Approved by Referendum
12. C.1. - BSP Authorized Signatories
13. C.2. - Dividends on Hybrid Perpetual Securities
14. E.1. - Toyota Batangas, Inc.
15. E.2. - Toyota Camarines Sur, Inc.

ANNEX 3

Recommendation 2.1
Sample excerpts of the Board Minutes of the Meeting

Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company. Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting) –
Materials are sent ahead of time to the Board so that they are fully informed of the matters to be taken up during Board Meetings. The discussions during meetings show that the directors act in good faith, with due diligence and care, and in the best interest of the company.

January 27, 2025

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

February 24, 2025

[redacted]

[redacted]

On motion duly made and seconded, the Board approved the following resolution.

[redacted]

[redacted]

March 31, 2025

[redacted]

June 30, 2025

[redacted]

[redacted]

[redacted]

[redacted]

July 28, 2025

[redacted]

[redacted]

October 27, 2025

[redacted]

[redacted]

[redacted]

[redacted]

ANNEX 4

Recommendation 2.2 and Optional Principle 4.1
Board minutes on the discussion involving board plan and strategy

In November 2025, the Board approved the 2026 Annual Board Plan which contains the business strategies of the different business groups. It shows that, every month, one business group makes a strategy presentation to the Board for discussion. Also included in the Board Plan is an Offsite Board Strategy Planning Session. In addition, part of the budget matters tackled in the Special BOD Meeting in December 2025 is the discussion on the strategy undertaken for the previous fiscal year and the strategy moving forward

Excerpt of Minutes of the November 25, 2025 Board Meeting showing the approval of the Annual Board Plan

[redacted]

Rizal Commercial Banking Corporation
Minutes of the November 24, 2025
Regular Meeting of the Board of Directors 11

Resolution No. BR-25-260

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that on the endorsement of the Corporate Governance and Nominations Committee the Board of Directors approves the 2026 Annual Board Plan.

Rizal Commercial Banking Corporation
Minutes of the November 24, 2025
Regular Meeting of the Board of Directors 12

Excerpts of Minutes showing the monthly presentations on strategic initiatives.

January 27, 2025 – Updates on Strategic Initiatives

VI. UPDATE ON STRATEGIC INITIATIVES

[redacted]

Strategy

[redacted]

February 24, 2025 – Updates on Strategic Initiatives

VI. UPDATE ON STRATEGIC INITIATIVES

[redacted]

March 31, 2025 – Updates on Strategic Initiatives

VI. UPDATE ON STRATEGIC INITIATIVES

[redacted]

April 28, 2025 – Updates on Strategic Initiatives

VI. UPDATE ON STRATEGIC INITIATIVES

[redacted]

May 26, 2025 – Updates on Strategic Initiatives

V. UPDATE ON STRATEGIC INITIATIVES

[redacted]

July 28, 2025 – Updates on Strategic Initiatives

VI. UPDATE ON STRATEGIC INITIATIVES

[redacted]

August 26, 2025 – Updates on Strategic Initiatives

VI. UPDATE ON STRATEGIC INITIATIVES

[redacted]

September 29, 2025 – Updates on Strategic Initiatives

V. UPDATE ON STRATEGIC INITIATIVES

[redacted]

October 27, 2025 – Updates on Strategic Initiatives

V. UPDATE ON STRATEGIC INITIATIVES

[redacted]

November 25, 2024 – Updates on Strategic Initiatives

V. UPDATE ON STRATEGIC INITIATIVES

[redacted]

2026 ANNUAL BOARD PLAN

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1. Meeting Schedule*													* subject to change e.g. when the date falls on a holiday
Regular Board	2:30 pm	Jan 26	Feb 23	Mar 30	Apr 27	May 25	Jun 29	Jul 27	Sep 1	Sep 28	Oct 26	Dec 1	Dec 7
Executive Committee	9:30 am	Jan 7 Jan 14 Jan 21 Jan 28	Feb 4 Feb 11 Feb 18 Feb 25	Mar 4 Mar 11 Mar 18 Mar 25	Apr 1 Apr 8 Apr 15 Apr 22 Apr 29	May 6 May 13 May 20 May 27	Jun 3 Jun 10 Jun 17 Jun 24	Jul 1 Jul 8 Jul 15 Jul 22 Jul 29	Aug 5 Aug 12 Aug 19 Aug 26	Sep 2 Sep 9 Sep 16 Sep 23 Sep 30	Oct 7 Oct 14 Oct 21 Oct 28	Nov 4 Nov 11 Nov 18 Nov 25	Dec 2 Dec 9
Corporate Governance and Nominations Committee	9:00 am	Jan 12	Feb 9	Mar 16	Apr 13	May 11	Jun 15	Jul 13	Aug 17	Sep 14	Oct 12	Nov 9	
Risk Oversight Committee	9:00 am	Jan 16	Feb 13	Mar 20	Apr 17	May 15	Jun 19	Jul 17	Aug 20	Sep 18	Oct 16	Nov 20	Dec 4
Audit and Compliance Committee													
Internal Audit	1:30 pm	Jan 14	Feb 10	Mar 17	Apr 14	May 12	Jun 16	Jul 14	Aug 18	Sep 15	Oct 13	Nov 10	Dec 7
Compliance	9:30 am	Jan 14	Feb 10	Mar 17	Apr 14	May 12	Jun 16	Jul 14	Aug 18	Sep 15	Oct 13	Nov 10	
Special (Financial)	1:30 pm		Feb 18			May 11			Aug 11			Nov 9	
Anti-Money Laundering Committee	1:00 pm	Jan 12	Feb 9	Mar 16	Apr 13	May 11	Jun 15	Jul 13	Aug 17	Sep 14	Oct 12	Nov 9	
Related Party Transactions Committee	10:30 am	Jan 12	Feb 9	Mar 16	Apr 13	May 11	Jun 15	Jul 13	Aug 17	Sep 14	Oct 12	Nov 9	
Technology Committee	3:00 pm	Jan 8	Feb 13	Mar 17	Apr 10	May 15	Jun 11	Jul 9	Aug 18	Sep 10	Oct 8	Nov 12	Dec 10
Annual Stockholders' Meeting	4:00 pm						Jun 29						
Organizational Meeting of the Board - Immediately after the Annual Stockholders' Meeting							Jun 29						
Separate Meeting of Non-Executive Directors with Heads of Control Units and External Auditor													Dec 7
Offsite Board Strategy Planning Session**													

**Dates to be announced

2. Business Strategies**												** subject to changes in specific topic and presentation date as may be warranted
Market Outlook and Treasury	Jan 26											
Retail Banking		Feb 23										
Consumer Lending			Mar 30									
Credit Cards and Personal Loans				Apr 27								
Data Science and Analytics					May 25							
None to give way to the ASM						Jun 29						
Digital Enterprise and Innovations							Jul 27					
Transaction Banking								Sep 1				
Institutional Banking									Sep 28			
IT and Data Platform Roadmap										Oct 26		
NPS											Dec 1	
2027 Budget Presentation												Dec 7
3. Accountability												
Financial reports												
• RCBC	Jan 26	Feb 23	Mar 30	Apr 27	May 25	Jun 29	Jul 27	Sep 1	Sep 28	Oct 26	Dec 1	
• RCBC Bankard Services Corp.	Jan 26			Apr 27			Jul 27			Oct 26		
• Rizal Microbank, Inc.	Jan 26			Apr 27			Jul 27			Oct 26		
• RCBC Leasing & Finance Corp.	Jan 26			Apr 27			Jul 27			Oct 26		
• RCBC Trust Corporation	Jan 26			Apr 27			Jul 27			Oct 26		
2025 Audited Financial Statements		Feb 23										

4. Corporate Governance												
	Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Board evaluation		Start		Report								
Self-Assessment of Board Members		Start		Report								
Third Party Board Evaluation*												
Evaluation of the Chairperson by the Independent Directors		Start		Report								
CEO Evaluation by the Non-Executive Directors		Start		Report								
Self-Assessment of the Board Committees		Start		Report								
Corporate Governance Seminar**												
AML Training**												
2027 Board/Committee Meetings Schedule											Dec 1	
Separate Meeting of Non-Executive Directors with Heads of Control Units and External Auditor												Dec 7

*The next engagement of a 3rd party board evaluation facilitator will be done for the 2026 evaluation, which will be included in the 2027 Annual Board Plan.

**Dates to be announced.

Policy Number:	PERFORMANCE MANAGEMENT	Effective Date: July 1, 2009
IV - A	POLICY	Revised Date: April 1, 2025

POLICY

The Bank is committed to providing its employees with continuous opportunities for development, an appreciation of job scope and expectations, and meaningful contributions to the Bank's vision, mission, and strategies in order to promote and foster a high-performance culture – one where organizational goals are consistently achieved or even exceeded.

In line with this philosophy, the Bank implements this Performance Management Policy that purports to govern the bank-wide Performance Management System (PMS) and effectively communicate the Bank's goals and strategies while aligning with each employee's goals and target results. Specifically, this policy focuses on the following objectives:

1. Define and agree on key result areas, performance indicators, and measures;
2. Discuss feedback on employees' output and accomplishments based on clearly defined goals and objectives, job description, and performance standards;
3. Communicate information for career planning and individual development;
4. Provide a structured basis for decisions on total rewards, employee movements, and discipline management; and
5. Encourage open communication and supportive relationships between employees and their supervising officers and within work teams.

GUIDELINES

This policy covers all regular employees, whether officer or rank-and-file staff. An employee must have occupied a position for at least six (6) months before he/she may be given a performance review in line with said position.

This policy is divided into five (5) major sections, as follows:

Part I	Balanced Scorecard
Part II	Performance Management Cycle
Part III	Career Development Planning
Part IV	Managing Underperformance
Part V	Penalties for Non-Compliance

PART I: BALANCED SCORECARD

The Bank implements the Balanced Scorecard, a performance management tool that incorporates both the financial and non-financial measures. The Balanced Scorecard is a comprehensive framework that translates the Bank's vision and strategy into a coherent set of performance measures. These objectives and measures are organized into five (5) different perspectives as discussed below.

1. **Financial Perspective** focuses on whether the Bank's strategy, implementation, and execution are contributing to bottom-line improvement. Objectives in this area typically relate to profitability.
2. **Customer Perspective** looks into customer and market-based strategy that will deliver superior future financial returns. The core outcome measures include customer satisfaction, customer retention, new customer acquisition, customer profitability, and market and account share in targeted segments.
3. **Operating Efficiency** focuses on the internal processes that will have the greatest impact on customer satisfaction and achieving the organization's financial objectives.
4. **People/Resource Alignment Perspective**, also referred to as the **Learning and Growth Perspective**, defines how the organization should support and develop human capital and infrastructure resources to achieve objectives, as well as create long-term growth and improvement.
5. **Risk / Controls Perspective** uses business drivers to define levels of risk appetite and monitors the alignment of risk-taking to company strategy. This enables us to answer the question: "Are we operating within our risk appetite?"

PART II: THE PERFORMANCE MANAGEMENT CYCLE

The Performance Management System shall be implemented following the cycle below:

Phase	Timeframe
Goal Setting	March to April
Performance Monitoring	April to December
Goal Review	November to December
Performance Appraisal	January – February (*following year)*

A. GOAL SETTING

Each employee plays a vital part in the achievement of his/her business unit's objectives, targets, or Key Result Areas (KRAs). At the beginning of the performance management cycle, the employee and the supervising officer jointly determine KRAs and measures that will lead to the achievement of the overall goals of their business unit. The final determination of the KRAs as listed and agreed upon shall carry the business unit head's guarantee that the same are indeed linked to the Bank's overall business goals.

1. SETTING OF KRAs. KRAs refer to specific contributions expected of the individual in the performance of his/her role or position. These are written statements of outputs and outcomes that form a "contract" between the employee and the organization with the employee being held accountable for specific results. These KRAs are in the form of **(1) core values and other mandatory goals and (2) job-specific goals.**

   The Bank's core values, also referred to as **CLIENT**, are explained below:

   a. CUSTOMER OBSESSION. Prioritizing customers, whether external or internal, in all decisions and actions, ensuring that the provided services meet their diverse needs.
   b. LOYALTY. Pursuing corporate interests as his or her own, speaking well of the company and taking pride in its achievements.
   c. INTEGRITY. Upholding the highest standards of discipline, accountability and ethical conduct in all interactions, building trust with customers and stakeholders.
   d. EXCELLENCE. Striving to be great, delivering quality results promptly, and improving results continuously.
   e. NURTURING. Being responsible stewards of the environment and communities, encouraging social development and sustainability.
   f. TEAMWORK. Collaborating towards shared goals and actively tapping areas of synergy to deliver the best possible outcomes for the customers and the communities.

   Other mandatory goals include the following:

   a. AML/CTF COMPLIANCE. Adherence to the Bank's policies and procedures relating to controls for Anti-Money Laundering and Countering Terrorist and Proliferation Financing (AML/CTF) pursuant to the rules and regulations of regulatory agencies (i.e. AMLC, BSP, etc.), international governing standards (i.e. FATF, OFAC, etc.), and the laws of the Republic of the Philippines.
   b. AUDIT/COMPLIANCE REVIEW. Achievement of satisfactory Audit / Compliance Review results and/or ratings.

For designated officers, below are additional mandatory KRAs:

a. COMPLIANCE/REGULATORY MONITORING (as Deputy Compliance Officer). Effective performance of responsibilities as DCO to assist in the implementation and monitoring of compliance with applicable regulatory issuances/requirements, internal policies, and controls in one's area of responsibility.
b. OPERATIONAL RISK REPORTING AND MONITORING (as Deputy Risk Reporting and Monitoring Officer). Facilitates the timely completion and implementation of ORM (Operational Risk Management) tools and methodologies and ensures accuracy and objectivity all throughout the process. Promotes risk awareness by effectively communicating to all staff their responsibilities in relation to Operational Risk Management. Keeps abreast of the latest trends in Operational Risk by attending various seminars.

The job-specific objectives or KRAs are management-approved written statements of performance standards that are aligned with the business unit's objectives. In defining these KRAs, the supervising officer and incumbent may refer to the SMART-S criteria in clearly setting job expectations and clarifying ways to achieve these expectations. The concept of a SMART-S objective is outlined below:

a. SPECIFIC. KRAs are well-defined, clear, and unambiguous. It states what the job wants to achieve.
b. MEASURABLE. Goals are assigned with specific performance indicators to keep track of the progress towards the accomplishment of the objectives.
c. ACHIEVABLE. Objectives are aligned with the business unit objectives and are attainable.
d. REALISTIC. Performance targets are within the job's scope and are relevant to its purpose in the organization.
e. TIME-BOUND. KRAs have clearly defined timeline of completion, i.e. with specific start and end date.
f. STRETCH. Goals should be challenging such that these inspire employees to enhance their performance, leading to professional growth.

With SMART-S KRAs, the supervising officer and incumbent share the responsibility of outlining the conditions of satisfactory performance measured and appraised using performance targets that are quantified and time-based, which means specific and measurable outputs, as well as the time within which they must be reached, are well-defined and agreed upon. These may be expressed in (1) financial terms, such as profits to be made, income to be generated, or costs to be reduced within a certain time; or (2) numerical terms, such as a specified number of transactions to be processed or clients to

be contacted or gained within a certain time. As a general rule, if it cannot be measured, it cannot be set as a target.

2. SETTING OF WEIGHTS. After the goals are set, weights are then assigned to those goals based on priorities. The total of the weights for KRAs should not exceed 100.

   The goals and weights as set at the beginning of the performance cycle may be revised, modified, or altered from one review period to the next should there be changes in the business unit's and/or the Bank's overall direction. Regular discussions during the middle of the cycle will give both the supervising officer and the employee a chance to re-assess, modify, or amend their targets based on parameters that have not been anticipated at the beginning of the cycle and/or on changes in the overall direction of the Bank. Likewise, this activity will provide business unit heads with an opportunity to implement employee development measures and other tools needed to help the employee achieve his/her targets.

   The employee must always sign off or express his/her conformity to the KRAs and weights set.

B. PERFORMANCE MONITORING, FEEDBACK, & COACHING

1. PERFORMANCE MONITORING. Throughout the Performance Management Cycle, it is the responsibility of the supervising officer (rater) to gather information about the work activities of the employee (ratee) and to monitor his/her performance. Performance monitoring may be done through any of the following:
   a. Observing daily work performance;
   b. Preparing or reading written reports (performance summaries, progress reports, etc.);
   c. Reviewing and analyzing progress reports on assigned projects or activities;
   d. Conducting progress review meetings and/or one-on-one feedback;
   e. Inspecting quality of work;
   f. Surveying clients or customers to assess their satisfaction on rendered work or service; or
   g. Holding critique or debriefing meetings after an activity or project to determine what went well and what needs to be improved.

   The frequency with which a supervising officer monitors a subordinate's performance helps shape that subordinate's beliefs about the relative importance of his/her function. It also provides the supervising officer with the concrete data for evaluating the employee's performance and gives him/her confidence in the review process.

2. FEEDBACK. For performance monitoring to be impactful, timely and fact-based feedback should be given to the ratee. It is only through regular feedback that the ratee may know how well he/she has been doing and how effective his/her behavior has been. Feedback aims to promote corrective action should this reveal that the ratee has not been meeting the expected results. On the other hand, this can motivate performance should feedback reveal excellent work on the part of the ratee.

3. PERFORMANCE COACHING. Performance coaching is "person-centered" management. It requires the rater to become involved with the ratee by establishing rapport and encouraging a series of one-on-one exchanges. The purpose of each exchange is to help the ratee solve problems, improve performance or achieve expected results.

   The performance coaching process involves the development of a positive and professional working relationship between the rater and the ratee. This also entails training, career coaching, communicating clear performance goals, providing accurate feedback, giving encouragement, creating a learning environment that is free of judgment and manipulation, asking questions, listening to suggestions and encouraging excellence.

C. GOAL REVIEW

This performance management activity shall allow changes or revisions in the previously approved goal setting. KRAs that have been previously set shall be reviewed only when there are modifications or changes that need to be documented, such as adding or deletion of KRAs, change in weights, updating of measures, etc. due to role changes, transfers, or goal adjustments and/or modifications during the review period. Goals may also be reviewed in light of significant changes in market conditions that may have an impact on the business and, consequently, on the overall objectives of the organization.

The timeline allotted for the goal review shall also be the period to be given to new hires, who meet the tenure and regularization criteria set at the start of the performance management cycle, to accomplish the prescribed goal setting.

D. PERFORMANCE REVIEW

The primary purpose of the performance review is to track the progress of the employee's accomplishments against the committed goals and performance targets. This phase involves three essential steps:

1st Step: Self-Assessment

Every employee is required to prepare and write a self-assessment by putting into writing what they have achieved against the performance (business & developmental) targets given to them during the *Goal Setting*. They are also tasked to provide a numerical performance appraisal rating for their business results, as well as their evaluation of how they live out the Bank's core values and other mandatory KRAs.

2nd Step: Supervisor's Assessment

This step involves documenting and measuring current performance against the targets or standards that have been agreed upon during the ***Goal Setting***. The purpose is to determine whether there are gaps between actual and desired performance and to assess the employee's accomplishments of the committed goals.

The rater uses the same **PMS Template** where the commitments are detailed during the goal setting. Ratings must be made objectively, supported by the observations documented or noted during ***Performance Monitoring & Coaching***.

An objective and meaningful system of assessing employee performance focuses on what is achieved by the employee vis-a-vis his/her own business unit's KRAs and the organization's overall goals.

For both steps, the rater and the ratee shall follow the below rating scale in assigning numeric score for every performance result.

Numerical Rating	**Descriptive Rating**
4.76 – 5.00	Consistently Exceeds Expectations
4.00 – 4.75	Frequently Exceeds Expectations
3.00 – 3.99	Meets Expectations
2.00 – 2.99	Occasionally Meets Expectations
1.00 – 1.99	Rarely Meets Expectations

3rd Step: Performance Appraisal Discussion

The final step involves a formal meeting between rater and ratee for the opportunity to discuss over-all performance results. This is a vital part of the Performance Management process and is required to be conducted for all employees. The supervising officer shall set a schedule for the performance appraisal discussion with the employee to thoroughly

review the employees' performance and reconcile and agree on the appraisal ratings given to the ratee. The rater shall address the performance appraisal rating gaps, if any, and align understanding of expectations. This meeting aims to enlighten the ratee on the reason/s behind the rating and provide a venue for discussion on improvement areas, if any, or training and career development options.

PART III: CAREER DEVELOPMENT PLANNING

Consistent with the Bank's commitment to the personal and professional advancement of its employees, it is important to allot time to discuss and document the training and development needs of the ratee in relation to the requirements of his/her present position as well as preparations for possible career advancement.

1. Talent Development. It is through the mastery of one's present job that an employee can gain recognition, rewards, and future career advancement.

   Thus, during the *Performance Appraisal* discussions, the rater and ratee jointly assess the latter's strengths and areas for improvement and identify programs or measures to further enhance the identified strengths and/or to narrow down any identified competency gaps.

   In documenting this exercise, the ***Career Development Plan*** portion of the ***Performance Appraisal Form*** is used. In said form, both the rater and ratee craft specific action plans that will further reinforce the ratee's strengths, tap his/her potentials, and address his/her development needs in accordance with the demands of his/her present position.

2. Career Advancement. One of the measures of success for business unit heads is his/her ability to develop employees for career progression. Thus, after conducting Performance Appraisal discussions in relation to the ratee's present position, the supervising officer is reminded to, likewise, assess the ratee's performance for purposes of determining the ratee's readiness to assume higher positions and/or bigger responsibilities.

   The employee's career track, as recommended by the supervising officer, may be the assumption of a higher position or bigger responsibilities within the same, or in a different, position, business unit, or group. The supervising officer is free to propose several options for the employee's career advancement. While provided with options, the employee is to take ownership of the decision to select the career path to pursue.

In identifying the employee's strengths and development needs in relation to his/her possible career advancement, the supervising officer is advised to use the ***Career Advancement Plan*** portion of the ***Performance Appraisal Form.***

PART IV: MANAGING UNDERPERFORMANCE

The Bank promotes and tracks the consistent delivery of expected results from its employees. In the event that an employee fails to meet the minimum performance standards set at the start of the annual cycle, the Bank shall provide opportunities for development and corrective action through the Performance Improvement Plan (PIP) program. PIP is an outlined set of activities agreed mutually by the supervising officer and concerned incumbent designed to facilitate constructive discussion of the employee's work performance. It is a targeted and time-bound program that outlines the specific performance gaps or deficiencies, the corresponding recovery plan, and agreed monitoring and assessment timeline.

This program shall comprise of four critical steps:

1st Step: Initiation of the Performance Improvement Plan

At the end of the appraisal period, the supervising officer and skip-level manager shall prepare a list of employees whose overall ratings fall below the minimum expectations set by the Bank, i.e. below 3.0 or Meets Expectations. All supporting documents pertinent to the appraisal, such as scorecards, filled out coaching forms, and other performance monitoring files, shall be compiled by the supervising officer. Then, the line managers shall accomplish the PIP Form based on the performance gaps and development needs of the employee.

2nd Step: Discussion and Approval of the Performance Improvement Plan

The supervising officer shall schedule a coaching session to initiate the discussion of the draft PIP with the employee. The supervising officer shall discuss the (1) rationale behind the initiation of the PIP, (2) the detailed list of activities that the employee will attend to or undergo, (3) the timeline or period of enrollment in the PIP, and (4) the subsequent actions or remedy based on the outcome of the PIP. The employee concerned shall review the PIP form and provide inputs or comments on its content. The final draft of the PIP form shall be signed off by the employee, the supervising officer, and skip-level manager or the designated business unit leader.

3rd Step: Implementation of the Performance Improvement Plan

The employee enrolled under PIP is expected to strictly abide by the provisions of the plan, particularly the detailed activities that must be performed for the duration of the program. The supervising officer, in turn, shall ensure seamless implementation of the program and closely assess how the employee is keeping up with the agreed plan. Performance assessment and monitoring may be done through the following, but not limited to:

a. Preparing of periodic performance report;
b. Reviewing and analyzing progress reports on assigned activities;
c. Conducting regular coaching, progress review meetings, and/or one-on-one feedback;
d. Inspecting quality of work;
e. Gathering performance inputs from clients or customers; and
f. Holding critique or debriefing meetings after a PIP activity to determine what went well and what needs to be improved further.

4th Step: Performance Evaluation

At the end of the program, the employee's progress shall be evaluated by the designated line managers. The PIP shall be deemed fulfilled if the employee demonstrates significant improvement in his/her performance against the set targets in the PIP. The employee is expected to consistently meet the performance standards within an agreed period for the employee to be removed from the PIP.

If an employee fails to meet the targets at the end of the program, said employee shall be subjected to the appropriate disciplinary procedure defined and agreed upon in the PIP or as stipulated in the Bank's Code of Conduct.

PART V: PENALTIES FOR NON-COMPLIANCE

Appraising the performance of an employee is an essential and integral part of being a supervisor. A performance evaluation provides pertinent inputs on one's work, which eventually redounds to the benefit of the organization, as it is a tool for improving productivity and efficiency. Failure to document the performance of an employee using the performance management platform or system within the deadlines set by management is considered a minor offense, subject to penalties/sanctions as follows:

SPECIFIC OFFENSE	PENALTIES			
	Reprimand	Written Warning	15-Day Suspension	Dismissal
Non-submission of any of the required performance documents for the covered performance period	For non- or incomplete submission despite follow-up	For non- or incomplete submission despite receipt of HRG's issued reprimand	For non- or incomplete submission despite receipt of HRG's issued warning	For non- or incomplete submission despite imposition of 15-day suspension

ANNEX 6

RIZAL COMMERCIAL BANKING CORPORATION

Risk Governance Framework

INTERNAL USE

RCBC Risk Governance Framework

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1 OVERVIEW

1.1 Purpose

The RCBC Group (the Group) recognizes that risk is an inherent part of its activities, and that banking is essentially a business of managing risks. The Group views risk management as a value proposition imbued with the mission of achieving sustainable growth in profitability and shareholder value through an optimum balance of risk and return.

This corporate risk philosophy further translates to the following policy precepts:

- Prudential risk-taking and proactive exposure management as cornerstones for sustainable growth, capital adequacy, and profitability;
- Standards aligned with internationally accepted practices and regulations in day to day conduct of risk and performance management; and
- Commitment to developing risk awareness across the Group, promoting the highest standards of professional ethics and integrity, establishing a culture that emphasizes the importance of the risk process, sound internal control, and advocating the efficient use of capital.

The RCBC Group's Risk Governance Framework[1] aims to:

- Identify, measure, control, and monitor the risk inherent to the Group's business activities or embedded in its products and portfolios;
- Formulate, disseminate, and observe the corporate risk philosophy, policies, procedures and guidelines;
- Guide risk-taking units in understanding and measuring risk-return profiles in their business transactions;
- Continually develop an efficient and effective risk management infrastructure; and
- Comply with regulations on risk and capital management.

The Framework shall be reviewed at least annually to account for changes in related policies and regulations.

1.2 Definitions

Risk: The probability or threat of quantifiable damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action.[2]

The International Organization for Standardization (ISO) defines risk as the effect of uncertainty on objectives.

[1] Applies to RCBC parent and BSP-regulated RCBC subsidiaries and RCBC affiliates.
[2] Oxford English Dictionary

Notes:

- An effect is a deviation from the expected — positive and/or negative.
- Objectives can have different aspects (such as financial, health and safety, and environmental goals) and can apply at different levels (such as strategic, organization-wide, project, product and process).
- Risk is often characterized by reference to potential events and consequences, or a combination of these.
- Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence.
- Uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of an event, its consequence, or likelihood.

Risk Profile: Point-in-time assessment of a bank's gross risk exposures (i.e., before the application of any mitigants) or, as appropriate, net risk exposures (i.e., after taking into account mitigants) aggregated within and across each relevant risk category based on current or forward-looking assumptions.

Risk Governance Framework: As part of the overall corporate governance framework, the framework through which the Board of Directors (Board) and management establish and make decisions about the bank's strategy and risk approach; articulate and monitor adherence to risk appetite and risk limits vis-à-vis the bank's strategy; and identify, measure, manage and control risks.

Risk Management: The processes established to ensure that all material risks and associated risk concentrations are identified, measured, limited, controlled, mitigated and reported on a timely and comprehensive basis.

Risk Culture: A bank's norms, attitudes and behaviors related to risk awareness, risk-taking and risk management, and controls that shape decisions on risks. Risk culture influences the decisions of management and employees during the day-to-day activities and has an impact on the risks they assume.

Risk Capacity: The maximum amount of risk a bank is able to assume given its capital base, risk management and control capabilities as well as its regulatory constraints.

Risk Appetite: The aggregate level and types of risk a bank is willing to assume, decided in advance and within its risk capacity, to achieve its strategic objectives and business plan.

Risk Tolerance: The acceptable level of variation relative to achievement of a specific objective, and often is best measured in the same units as those used to measure the related objective. In setting risk tolerance, management considers the relative importance of the related objective and aligns risk tolerances with risk appetite. Risk tolerance relates to risk appetite but differs in one fundamental way: risk tolerance represents the application of risk appetite to specific objectives.

Risk Limits: Specific quantitative measures or limits based on, for example, forward-looking assumptions that allocate the bank's aggregate risk to business lines, legal entities as relevant, specific risk categories, concentrations and, as appropriate, other measures.

Risk Appetite Framework (RAF): The overall approach, including policies, processes, controls and systems, through which risk appetite is established, communicated and monitored. It includes a risk appetite statement, risk limits and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF. The RAF should consider material risks to the bank, as well as to its reputation vis-à-vis policyholders, depositors, investors and customers. The RAF aligns with the bank's strategy.

Risk Appetite Statement (RAS): The written articulation of the aggregate level and types of risk that a bank will accept, or avoid, in order to achieve its business objectives. It includes quantitative measures

expressed relative to earnings, capital, risk measures, liquidity and other relevant measures as appropriate. It should also include qualitative statements to address reputation and conduct risks as well as money laundering and unethical practices.

2 RISK MANAGEMENT PRINCIPLES[3]

Risk management is a dynamic activity. For risk management to be effective, it needs to be practiced within all layers of the organization. The Board of RCBC expects the management of risk to be guided by the following principles:

Principle 1: Risk management creates and protects value.

Risk management creates and protects value by increasing the likelihood of achieving the organization's objectives. It also creates and protects value as it results in improving governance and control process, compliance with regulations and effectiveness and efficiency in the allocation of scarce capital and resources.

Principle 2: Risk management is an integral part of all organizational processes.

Risk management is not a standalone activity that is separate from the main activities and processes of the organization. Aside from ensuring profitability and delivering shareholder value, risk management should form part of the responsibilities of management.

Principle 3: Risk management is part of decision making.

To be effective, risk management should be part of the decision-making process. Risk management should help decision makers make informed choices, prioritize actions and distinguish among alternative courses of action.

Principle 4: Risk management explicitly addresses uncertainty.

In risk management, risk should not be viewed in a deterministic manner. Rather, it should explicitly take into account uncertainty, the nature of the uncertainty, and how this uncertainty can be addressed.

Principle 5: Risk management is systematic, structured, and timely.

Risk management is a systematic, structured, and timely process that contributes to efficient, consistent, comparable, and reliable results. It is a rigorous process that encourages everyone in an organization to assess uncertainty in a structured and systematic manner, and design mitigation strategies methodically.

[3] ISO 31000 enumerates 11 principles

Principle 6: Risk management is based on best available information.

While risk management aims to assess and manage risk in a forward-looking manner, it has to rely on the best available information as of a specified predetermined date. Examples of information sources that can be used as inputs to the risk management process are:

- Historical data
- Past experience
- Stakeholder feedback
- Observation
- Forecasts
- Expert judgment

Principle 7: Risk management is tailored.

Risk management is not a one size fits all exercise. Each banking organization has unique circumstances that must be considered in designing the organization's risk governance framework and process. Risk management should be aligned with the organization's external and internal context and risk profile.

Principle 8: Risk management takes human and cultural factors into account.

The effectiveness of risk management processes, no matter how sophisticated the designs are, still depends on the commitment and capabilities of everyone in the organization. Risk management considers the capabilities, perceptions and intentions of external and internal people that can facilitate or hinder achievement of the organization's objectives.

Principle 9: Risk management is transparent and inclusive.

To be effective, risk management should not be an isolated activity. Everyone in an organization should be involved. Risk management is relevant and up-to-date if stakeholders and decision makers at all levels are involved in an appropriate and timely manner.

Principle 10: Risk management is dynamic, iterative and responsive to change.

Risk management should continually evolve and recognize the dynamic environment in which the banking organization operates in. As external and internal events occur, context and knowledge change, monitoring and review of risks take place. New risks emerge. Some risks evolve. Some risks change. Some disappear. Risk management should be able to capture and calibrate its responses to the changing nature of uncertainty.

Principle 11: Risk management facilitates continual improvement of the organization.

Risk management should develop and implement strategies to improve their risk management maturity alongside all aspects of the organization.

3 RCBC RISK UNIVERSE

3.1 Three Categories of Risk[4]

Risk events may be classified according to the following categories:

1. **Preventable Risks:** Risks arising from within the company that generate no strategic benefits
   - Objective: Avoid or eliminate occurrence

2. **Strategy Risks:** Risks taken for superior strategic returns
   - Objective: Reduce likelihood and impact

3. **External Risks:** External, uncontrollable risks
   - Objective: Reduce impact should risk event occur

Preventable risks, arising from within an organization, are monitored and controlled through rules, values, and standard compliance tools. In contrast, strategy risks and external risks require distinct processes that encourage managers to openly discuss risks and find cost-effective ways to reduce the likelihood of risk events or mitigate their consequences.

3.2 Risk Types

The Board and Management of RCBC believe that effective management of risk is central to achieving strategic objectives and performance targets. In the pursuit of strategy and to produce a superior return for its shareholders, RCBC has identified various types of risk:

1. **Credit Risk:** Risk of loss arising from a counterparty's failure to meet the terms of any contract with the bank or otherwise perform as agreed. Credit risk is found in all activities where success depends on counterparty, issuer, or borrower performance. It arises anytime funds are extended, committed invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet. Credit risk is not limited to the loan portfolio.

2. **Credit Concentration Risk:** Risk of loss arising from excessive credit exposures to individual borrower, groups of connected counterparties and groups of counterparties with similar characteristics (e.g., counterparties in specific geographical locations, economic or industry sectors) or entities in foreign country or a group of countries with strong interrelated economies.

3. **Market Risk:** Risk to earnings or capital arising from adverse movements in factors that affect the market value of instruments, products, and transactions in the Bank's trading book portfolio, both on- and off-balance sheet.

[4] Harvard Business Review, 2012. "Managing Risks: A New Framework"

4. **Interest Rate Risk in the Banking Book:** Current and prospective risk to earnings and capital arising from adverse movements in the interest rates that affect the Bank's banking book positions.

5. **Liquidity Risk:** Current and prospective risk to earnings or capital arising from a bank's inability to meet its obligations when they come due without incurring unacceptable losses or costs. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources.

6. **Operational Risk:** Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

    a. **Information Technology (IT) Risk:** Risk of loss resulting from adverse outcome, damage, loss, violation, failure or disruption associated with the use of or reliance on computer hardware, software, devices, systems, applications and networks.

    b. **Information Security Risk:** Risk of loss resulting from information security/cyber security breaches.

    c. **Business Continuity Risk:** Risk of loss resulting from a prolonged interruption in business operations.

    d. **Regulatory Risk:** Risk of loss arising from probable mid-stream changes in the regulatory regime affecting current position and/or strategy.

    e. **Compliance Risk:** Current and prospective risk to earnings or capital arising from violations of, or non-conformance with, laws, rules, regulations, prescribed practices, internal policies and procedures, or ethical standards.

    f. **Money Laundering/Terrorist Financing (ML/TF) Risk:** Risk of loss arising from a covered person's[5] failure to prevent itself from being used as a money laundering site and conduit for the proceeds of unlawful activities as well as financing the act of terrorism.

    g. **Fraud Risk:** Risk of loss resulting from falling victim to activities involving internal and/or external fraud.

    h. **Legal Risk:** Risk of loss resulting from uncertainty of legal proceedings that the Bank is currently or expected to be involved in.

[5] Covered persons" shall refer to banks, non-banks, QBs, trust entities, NSSLAs, pawnshops, foreign exchange dealers, money changers, remittance and transfer companies, EMIs and other financial institutions which under special laws are subject to Bangko Sentral supervision and/or regulation, including their subsidiaries and affiliates, which are also covered persons, wherever they may be located.

i. **Human Resource Risk**: Risk of loss arising from non-compliance with the Human Resources policies including Code of Conduct.

j. **Third Party Risk**: Any risk associated with engaging a third party in the context of providing a service or product to a client (the second party). It is an umbrella term covering several potential risk types depending on the product or service, the third party and the nature of the engagement / relationship

7. **Strategic Risk:** Current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes and other external developments.

8. **Reputational Risk:** Risk to earnings, capital, and liquidity arising from negative perception on the Bank of its customers, shareholders, investors, and employees, market analysts, the media, and other stakeholders such as regulators and other government agencies, that can adversely affect the Bank's ability to maintain existing business relationships, establish new businesses or partnerships, or continuously access varied sources of funding.

9. **Environmental and Social (E&S) Risk**: Risk of potential financial, legal, and/or reputational negative effect of E&S issues on the Bank. E&S issues include environmental pollution, climate risk (both physical and transition risks), hazards to human health, safety and security, and threats to community, biodiversity and cultural heritage, among others.

4 RISK CULTURE

There are four elements of a sound risk culture – *tone from the top, accountability, effective communication and challenge,* and *incentives.*

4.1 Tone from the Top

The Board and senior management are expected to establish a risk culture that represents an expectation of values and conduct from all staff. This expectation outlines what is expected from each individual in terms of behavior and actions. The Board expects all staff to demonstrate exemplary conduct, act responsibly, fairly, and with integrity towards clients, staff, and in the communities in which we live and work.

The Board expects all staff to:

Lead by Example	• Establish, monitor, and adhere to an effective risk appetite statement • Have a clear view of the risk culture • Systematically monitor and assess the prevailing risk culture and proactively address any identified areas of weakness or concern • Promote through action and words, a risk culture that expects integrity and a sound approach to risk • Promote an open exchange of views, challenge, and debate • Have mechanisms in place which help lessen the influence of dominant personalities and behaviors
Adopt Corporate Values	• Systematically monitor and assess whether the espoused values are communicated and adhered to by management and staff at all levels • Ensure that the risk appetite statement, risk management strategy, and overall business strategy are clearly understood and embraced by management and staff at all levels and effectively embedded in the

	decision-making and operations of the business • Establish a compensation structure that supports the institution's espoused values and promotes prudent risk-taking behavior
Develop Common Understanding and Awareness of Risk	• Demonstrate a clear understanding of the quality and consistency of decision-making throughout the business, including how decision-making is consistent with the Group's risk appetite and risk strategy • Have a clear view on the business lines considered to pose the greatest challenges to risk management and these are subject to constructive and credible challenge about the risk-return balance • Systematically monitor how quickly issues raised by the Board, supervisors, internal audit, and other control functions are addressed by management
Learn from Risk Culture Failures/ Mistakes	• Establish processes to ensure that failures or near failures in risk culture are reviewed at all levels of the Group and are seen as opportunities to strengthen the Group's risk culture and make it more robust

4.2 Accountability

The Board and senior management should ensure that employees are held accountable for their actions and are aware of the consequences of not adhering to the desired behavior toward risk. There should be a clear delineation of responsibilities with regard to monitoring, identification, management, and mitigation of risk. Employees at all levels should understand the core values of the Group's risk culture and its approach to risk, be capable of performing their prescribed roles, and be aware that they are held accountable for their actions in relation to the Group's risk-taking behavior.

Risk Ownership	• Clear expectations should be set with respect to monitoring, reporting, and responding to current and emerging risk information across the institution, including from the lines of business and risk management to the Board and senior management. Mechanisms should be in place for the lines of business to share information on emerging and unexpected risks. • Employees are held accountable for their actions and are aware of the consequences for not adhering to the desired risk management behavior.
Escalation Process	• Escalation processes should be established and used with clear consequence for non-compliance with risk policies and escalation procedures. • Employees should be aware of the process and believe that the environment is open to critical challenge and dissent. These mechanisms should be established for employees to raise concerns when they feel discomfort about products or practices. • Whistleblowing should be proactively encouraged and supported by the Board and senior management.
Enforcement	• Consequences should be clearly established, articulated, and applied for the business lines or individuals who engaged in excessive risk-taking relative to the risk appetite statement. Breaches in internal policies, procedures, and risk limits and non-adherence to internal codes of conduct should impact an individual's compensation and responsibilities or affect career progression, including termination.

4.3 Effective Communication and Challenge

A sound risk culture promotes an environment of effective communication and challenge in which decision-making processes promote a range of views, allow for testing of current practices and stimulate a positive, critical attitude among employees and an environment of open and constructive engagement.

A sound risk culture must encourage transparency and open dialogue in order to promote the identification and escalation of risk issues.

Open to Alternative View	• Alternative views or questions from individuals and groups are encouraged, valued and respected, and occur in practice. Senior management should have mechanisms in place to ensure that alternate views can be expressed in practice, and should request regular assessments of the openness to dissent at all layers of management involved in the decision-making process.
Stature of Risk Management	• The Chief Risk Officer and risk management function (RMG) share the same stature as the lines of businesses, actively participating in the Senior Management Committee, and proactively involved in all the relevant risk decisions and activities. They should have appropriate access to the Board and senior management. • Compliance, legal, and other control functions should have sufficient stature, not only to act as advisors, but also to effectively exert control tasks with respect to the institution's risk culture.

4.4 Incentives

Financial and non-financial incentives should support the core values and risk culture at all levels of the Group. Performance and talent management should encourage and reinforce maintenance of the institution's desired risk management behavior. Remuneration systems should reward servicing the greater, long-term interest of the Group and its clients. Risk management and compliance considerations should have sufficient status in driving compensation, promotion, hiring, and performance evaluation.

Remuneration and Performance	• Remuneration and performance metrics should consistently support and drive the Group's desired risk-taking behavior, risk appetite, and risk culture. Annual performance reviews and objective-setting processes include steps taken by the individual to promote the Group's desired core values, compliance with policies and procedures, internal audit results, and supervisory findings. • Incentive compensation programs systematically include individual and group adherence to the Group's core values and risk culture, including: o Treatment of clients; o Cooperation with internal control functions and regulators; o Respect for risk exposure limits; and o Alignment between performance and risk.
Talent Development and Succession Planning	• Understanding key risks and essential elements of risk management and the culture of the organization is a critical skill for senior employees. These should be reflected in the development plans for employees. Succession planning processes for key management positions include risk management experience and not only revenue-based accomplishments. Training programs are available for all staff to develop risk management competencies.

5 RISK APPETITE FRAMEWORK

5.1 Overview

The **Risk Appetite Framework (RAF)** is the overall approach, including policies, processes, controls and systems, through which risk appetite is established, communicated and monitored. It includes a risk appetite statement, risk limits and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the RAF.

RISK APPETITE FRAMEWORK[6]

At the highest level, Executive Management and the Board need to have a solid understanding of the risks the firm as a whole is taking. A key weakness that has disastrous effects, as evidenced by financial crises, is a disparity between the risks that a firm takes and those that its Board perceives the firm to be taking.[7] Supervisors see insufficient evidence of active Board involvement in setting the risk appetite for firms in a way that recognizes the implications of that risk-taking.[8] It is critical that the Chief Executive and Board members understand and consider the risk appetite and the risks being taken for the potential returns in evaluating major business decisions.

Management and the Board must know beforehand the firm's capacity for risk-taking, the previously specified amount of different risks they want the firm to take and the current and targeted risk profile relative to the desired level and capacity – to be able to evaluate and take action.

This is – in essence – what a risk appetite framework does for an organization. Information needs to flow up to the Board and be presented in a timely way that drives decision making.

A fully functioning risk appetite framework establishes a firm-specific quality and style of internal communication that enables risk messages to feed up the organization from the people who take or manage risk.

Conscious Risk-Taking

No business can thrive without taking on risks. A key benefit of deploying a risk appetite framework is that these risks are identified and quantified in a structured way that relates them to the firm's business objectives and strategy.

The trade-offs between risk and reward in a risk appetite framework are made upfront, in a conscious attempt to decide the right calibration, and at a firm-wide level.

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[6] Deloitte, 2014. "Risk Appetite Frameworks: How to Spot the Genuine Article"
[7] Senior Supervisors Group (SSG), 2009. "Risk Management Lessons from the Global Banking Crisis of 2008"
[8] As noted of some firms during the 2008 financial crisis, by the Senior Supervisors Group (SSG)

A risk appetite framework ensures that risk-taking is specific, measured, and consistent within established limits.

Joined-Up Risk Management

Beyond the benefits of breadth, a risk appetite framework also provides depth to risk management activities. It is the collective impact of risk-taking across a firm that needs to be managed. This will always require the coordination among various parts of a firm, alignment between broader objectives and the more specific objectives of business units or individuals, and a translation between technical language of the risk or product specialist and the more general firm-specific risk appetite language.

This is where risk appetite frameworks come to the fore. First, they facilitate top-down direction from the Board via the cascading of risk appetite statements and their ongoing monitoring and control – in a risk appetite language that is meaningful to everyone. Second, they rely on bottom-up information and insight from the businesses and control functions through the calibration of risk appetite limits and triggers, as well as the reporting of risks and the risk profile versus risk appetite.

Drivers of Quality Risk Management

To have an effective risk appetite framework, the following must be present:

- A **strong, independent risk function** that has the confidence of its convictions and the internal clout to design, build, launch and embed risk language and concepts across the firm; the risk personnel need to be good at reaching out to their colleagues in the business lines and advocating the risk appetite perspective;
- A **sponsor at the executive level** who has enough authority to make risk appetite the way the firm approaches risk. Without senior buy-in from a President/Chief Executive Officer (CEO) or Chief Risk Officer (CRO), risk appetite will wither on the vine;
- A **robust process to aggregate risk** – Risk definitions are uniformly understood across the firm. The people and processes that identify and aggregate risk need to be of high caliber to support completeness of coverage – this should cover financial and non-financial risks;
- A **well-established methodology to produce risk adjusted metrics** (with the active buy-in of both the finance and risk departments) so that the risk appetite perspective takes root outside of the risk department;
- A **good capacity for change management**, since embedding risk appetite requires some deep-seated changes to be made to the way a lot of people go about their jobs;
- A **culture within a firm that enables free flow of information** up and down the hierarchy. The bosses are not afraid to hear bad news, nor do the business units water down messages for fear of giving offense; and
- A **culture that weaves risk considerations into the rest of the firm** in such things as business strategy, capital planning, day-to-day risk-taking by the business, governance and the design of remuneration plans.

5.2 Roles and Responsibilities[9]

Roles and Responsibilities in Setting the Risk Appetite Framework	
Board of Directors	• The Board is primarily responsible for approving the organization's risk appetite framework. It is also responsible for holding Senior Management accountable for the integrity of the risk appetite framework. The Board should conduct periodic high-level review of actual versus approved limits. Any breaches should be dealt with accordingly.
President/Chief Executive Officer	• The President/Chief Executive Officer (CEO) is responsible for establishing the risk appetite for the banking organization. He/She is also responsible for translating the risk appetite into risk limits for business lines, subsidiaries and affiliates[10]. • The President/ CEO is accountable, together with the rest of the Senior Management team, for the integrity of the risk appetite framework and for ensuring that the risk appetite framework is implemented throughout the organization.
Chief Risk Officer	• The Chief Risk Officer (CRO) provides relevant inputs to the President/CEO in developing the organization's risk appetite. He/She is responsible for actively monitoring the organization's risk profile relative to its risk appetite, strategy, business and capital plans, risk capacity, and compensating program. • The CRO is responsible for independently monitoring the business line and subsidiaries and affiliates[11] risk limits against the Group's aggregate risk profile to ensure that it is aligned with the Group's risk appetite. He/She is also responsible for establishing a process for reporting on risk and on alignment of risk appetite and risk profile with the organization's culture.
Business Line Leaders, Subsidiary and Affiliate Management	• Business line leaders, subsidiary and affiliate management cascade the risk appetite statement and risk limits into their activities. They should establish and ensure adherence to approved risk limits. They are also responsible for implementing controls to effectively monitor and report risk limits adherence.
Internal Audit	• Internal Audit is responsible for independently assessing the integrity, design, and effectiveness of the organization's risk appetite framework.

5.3 Risk Appetite Statement of RCBC

[9] Financial Stability Board (FSB), 2013. "Principles for an Effective Risk Appetite Framework"
[10] Refers to BSP-regulated RCBC subsidiaries and RCBC affiliates.
[11] ibid

Risk appetite is the amount of risk the RCBC Group is willing to take in pursuit of its strategic objectives, reflecting the Group's capacity to sustain losses and continue to meet its obligations under normal as well as adverse circumstances.

The Group's risk appetite statement is approved by the Board and forms the basis for establishing the risk parameters within which the businesses must operate, including risk management policies, and limits.

The Group defines its risk appetite in terms of volatility of earnings, the maintenance of adequate capital buffers, and the assessment by the Regulator.

The Group recognizes that risk is an inherent part of its activities, and that banking is essentially a business of managing risks. The Group aims to achieve sustainable growth in profitability and shareholder value through an optimum balance of risk and return.

The Group shall take on risk prudently and manage exposures proactively for the purpose of sustainable growth, capital adequacy, and profitability. It shall be aligned with internationally accepted standards, practices, and regulations in the day to day conduct of risk and performance management.

The Board and Senior Management are committed to developing risk awareness across the Group, promoting the highest standards of professional ethics and integrity, establishing a culture that emphasizes the importance of the risk process, sound internal control, and advocating the efficient use of capital.

The Group sets risk limits to constrain risk-taking within its risk appetite, taking into account the interest of customers and shareholders as well as capital and other regulatory requirements.

The Group will not compromise adherence to its risk appetite in order to pursue revenue growth or higher returns.

The Risk Oversight Committee shall oversee compliance to the established risk appetite, risk management policies, and limits.

Furthermore, the Group articulates its appetite for specific risk types.

RISK APPETITE FOR SPECIFIC RISK TYPES

Risk Type	2nd Line Owner	Definition	Risk Appetite
Credit Risk	RMG Head/ CRO	Risk of loss arising from a counterparty's failure to meet the terms of any contract with the bank or otherwise perform as agreed. Credit risk is found in all activities where success depends on counterparty, issuer, or borrower performance. It arises anytime funds are extended, committed invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet. Credit risk is not limited to the loan portfolio.	The RCBC Group shall only engage with counterparties that are foreseen to be able to meet the terms of the contract or perform as agreed. The Group shall manage credit risk in its portfolio and activities to ensure that credit risk losses do not cause material damage to the Group's liquidity and capital position.
Credit Concentration Risk	RMG Head/ CRO	Risk of loss arising from excessive credit exposures to individual borrower, groups of connected counterparties and groups of counterparties with similar characteristics (e.g., counterparties in specific geographical locations, economic or industry sectors) or entities in foreign country or a group of countries with strong interrelated economies.	The RCBC Group shall not be overexposed to specific industries, borrowers, counterparties, or groups, where the risk of loss has not been considered and/or mitigated. The Group shall manage credit concentration risk in its portfolio to ensure that credit risk losses do not cause material damage to the Group's liquidity and capital position.
Market Risk	RMG Head/ CRO	Risk to earnings or capital arising from adverse movements in factors that affect the market value of instruments, products, and transactions in the Bank's trading book portfolio, both on- and off-balance sheet.	The RCBC Group shall manage market risk in its trading portfolio and activities to ensure that losses arising from adverse movements in market prices do not cause material damage to the Group's net income and capital position.
Interest Rate Risk in the Banking Book	RMG Head/ CRO	Current and prospective risk to earnings and capital arising from adverse movements in the interest rates that affect the Bank's banking book positions.	The RCBC Group shall manage interest rate risk in its banking book portfolio and activities to ensure that losses arising from movements in interest rates do not cause material damage to the Group's net income and capital position.
Liquidity Risk	RMG Head/ CRO	Current and prospective risk to earnings or capital arising from a bank's inability to meet its obligations when they come due without incurring unacceptable losses or costs. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources.	The RCBC Group shall be able to meet its obligations when they come due, under normal as well as adverse circumstances, while ensuring compliance with regulatory requirements. The Group shall manage its liquidity position under extreme but plausible liquidity stress scenarios without recourse to extraordinary central bank support.
Operational Risk	RMG Head/ CRO	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.	The RCBC Group shall control operational risks to promote sustainable safe and sound operations and ensure that operational losses are mitigated and do not cause material damage to the Group's liquidity, income, capital position and reputation. The Group has a Medium residual risk tolerance to losses arising from operational incidents or business as usual activities.
IT Risk	RMG Head/ CRO	Risk of loss resulting from adverse outcome, damage, loss, violation, failure or disruption associated with the use of or reliance on computer hardware, software, devices, systems, applications and networks.	The RCBC Group shall manage its computer hardware, software, devices, systems, applications, and networks to ensure that losses resulting from their failure do not cause material damage to the Group's liquidity and capital position, and reputation.
Information Security Risk	RMG Head/ CRO	Risk of loss resulting from information security/cyber security breaches.	The RCBC Group has zero tolerance for information security/cyber security breaches. The Group shall protect its information assets to ensure that breaches do not cause material damage to the Group's liquidity and capital position, and reputation.
Business Continuity Risk	RMG Head/ CRO	Risk of loss resulting from a prolonged interruption in business operations.	The RCBC Group shall be able to resume critical operations that are adversely affected by disruption due to internal and external threats, which may be natural, man-made or technical in origin in a timely manner.
Regulatory Risk	RAG Head/ Compliance Officer	Risk of loss arising from probable mid-stream changes in the regulatory regime affecting current position and/or strategy.	The RCBC Group shall be prepared for any changes in regulations affecting its current position and/or strategy.

Risk Type	2nd Line Owner	Definition	Risk Appetite
Compliance Risk	RAG Head/ Compliance Officer	Current and prospective risk to earnings or capital arising from violations of, or non-conformance with, laws, rules, regulations, prescribed practices, internal policies and procedures, or ethical standards.	The RCBC Group shall comply with laws, regulations, rules, related self-regulatory organization standards, and codes of conduct applicable to its banking activities. The Group has no appetite for deliberately or knowingly incurring a breach of the letter or spirit of regulatory requirements.
Money Laundering/ Terrorist Financing (ML/TF) Risk	RAG Head/ Compliance Officer	Risk of loss arising from a covered person's failure to prevent itself from being used as a money laundering site and conduit for the proceeds of unlawful activities as well as financing the act of terrorism.	The RCBC Group has zero tolerance for any involvement in money laundering and terrorist financing activities. The Group shall manage ML/TF risk to avoid any involvement in money laundering and terrorist financing activities.
Fraud Risk (Internal & External)	RMG Head/ CRO	Risk of loss resulting from falling victim to activities involving internal and/or external fraud.	The RCBC Group shall manage fraud risk to ensure that losses resulting from activities involving internal and/or external fraud do not cause material damage to the Group's liquidity and capital position, and reputation. The Group has zero tolerance for any incident involving internal fraud, or any inappropriate conduct by a member of staff or by any Group business.
Legal Risk	Legal Affairs Group Head	Risk of loss resulting from uncertainty of legal proceedings that the Bank is currently or expected to be involved in.	The RCBC Group shall manage legal risk to ensure that losses arising from legal proceedings do not cause material damage to the Group's liquidity and capital position, and reputation.
Human Resource Risk	HR Group Head	Risk of loss arising from non-compliance with the Human Resources policies including Code of Conduct.	The RCBC Group has adequately disseminated its Human Resources policies and Code of Conduct to all its employees. As such, the Group has very low tolerance for non-compliance to ensure that ensuing losses do not cause material damage to the Group's operations, business, strategy and reputation.
Third Party Risk	RMG Head/ CRO	Any risk associated with engaging a third party in the context of providing a service or product to a client (the second party). It is an umbrella term covering several potential risk types depending on the product or service, the third party and the nature of the engagement / relationship	The RCBC Group will manage third party risk within the respective appetite of the ensuing risk/s brought about by engaging a third party and by regular evaluation and monitoring of the risk profiles of third parties.
Strategic Risk	Corporate Planning Group Head	Current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes and other external developments.	The RCBC Group shall only pursue strategies whose foreseeable risks have been considered and/or mitigated. The Group shall manage strategic risk to ensure that there is no material damage to the Group's liquidity and capital position, and reputation.

Risk Type	2nd Line Owner	Definition	Risk Appetite
Reputational Risk	RMG Head/ CRO	Risk to earnings, capital, and liquidity arising from negative perception on the Bank of its customers, shareholders, investors, and employees, market analysts, the media, and other stakeholders such as regulators and other government agencies, that can adversely affect the bank's ability to maintain existing business relationships, establish new businesses or partnerships, or continuously access varied sources of funding.	The RCBC Group shall only pursue engagement in any business activity whose foreseeable reputational risk or damage have been considered and/or mitigated. The Group shall protect its reputation to ensure that there is no material damage to the Group.
Environmental and Social (E&S) Risk	RMG Head/ CRO	Risk of potential financial, legal, and/or reputational negative effect of E&S issues on the bank	The RCBC Group shall promote sustainable practices that will minimize negative environmental, social and reputation impact of the Bank's financing and investing[12] activities as well as its clients' operations. The Group shall mitigate negative impact on the environment and affected communities, and enhance positive sustainable development impact.

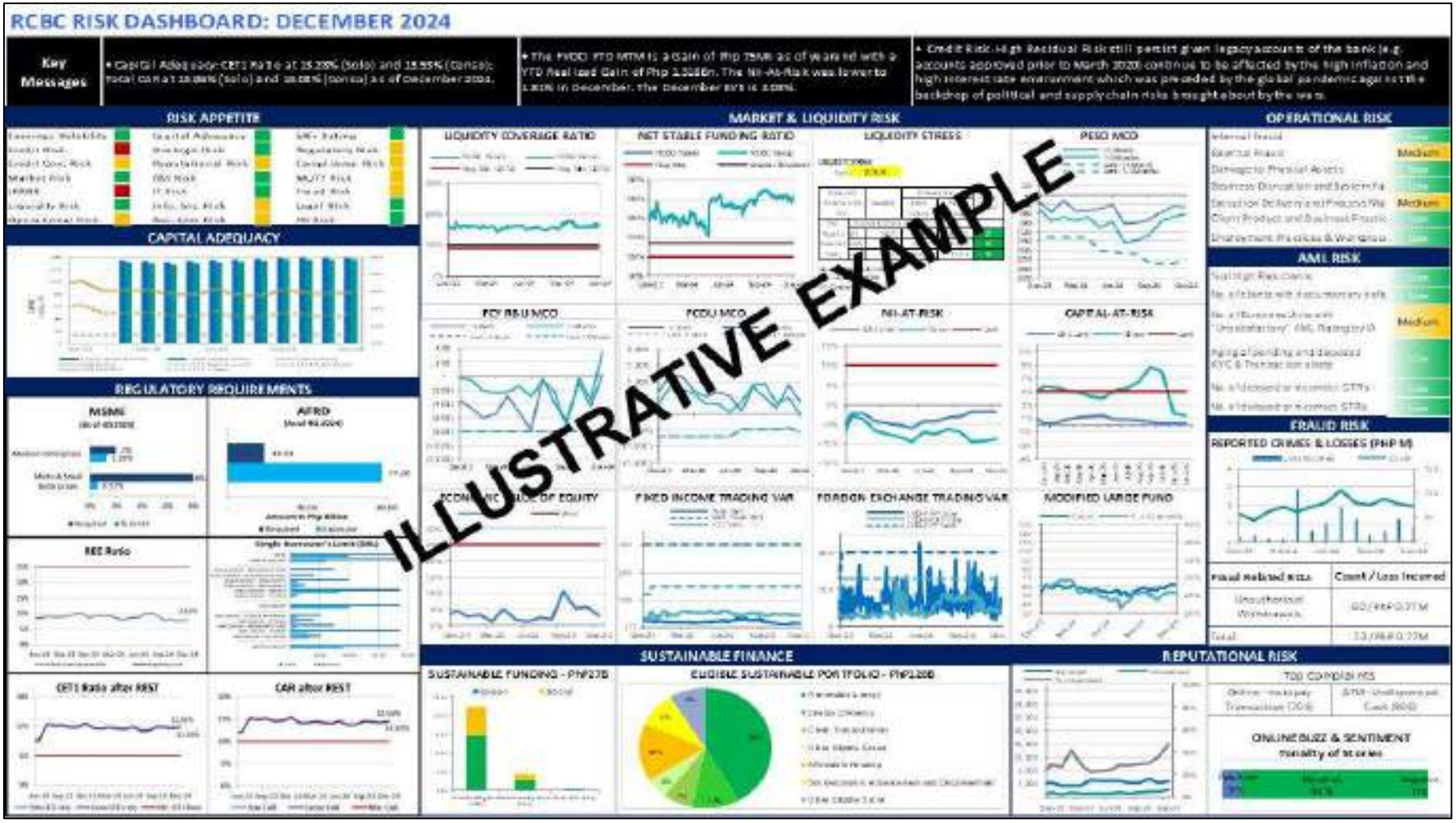
[12] BSP Circular 1149

5.4 Risk Limits[13]

Risk Limits are quantitative measures based on forward-looking assumptions that allocate the Group's aggregate risk appetite statement to business lines, subsidiaries as relevant, specific risk categories, concentrations, and other levels as deemed appropriate. Some of the Risk Oversight Committee's expectations when Management sets risk limits are as follows:

- Risk limits should be set at a level to constrain risk-taking within the approved risk appetite, taking into account the interest of customers and shareholders as well as capital and other regulatory requirements, in the event that a risk limit is breached and the likelihood that each material risk is realized.
- Risk limits should be established for business lines and subsidiaries, and generally expressed relative to:
    - Earnings
    - Capital
    - Liquidity
    - Other relevant measures, e.g. growth and liquidity
- Risk limits should include material concentrations at the group-wide, business line, subsidiaries and affiliates[14] levels.
- Risk limits should not be strictly based on comparison to peers or default to regulatory limits.
- Risk limits should not be overly complicated, ambiguous, or subjective.
- Risk limits should be monitored regularly.

[13] Financial Stability Board (FSB), 2013. "Principles for an Effective Risk Appetite Framework"
[14] Applies to BSP-regulated RCBC subsidiaries and RCBC affiliates


RCBC RISK DASHBOARD: DECEMBER 2024
Key Messages
RISK APPETITE
CAPITAL ADEQUACY
REGULATORY REQUIREMENTS
MARKET & LIQUIDITY RISK
LIQUIDITY COVERAGE RATIO
NET STABLE FUNDING RATIO
LIQUIDITY STRESS
PESO MCO
FCY RBU MCO
FCDU MCO
NII-AT-RISK
CAPITAL-AT-RISK
FIXED INCOME TRADING VAR
FOREIGN EXCHANGE TRADING VAR
MODIFIED LARGE FUND
SUSTAINABLE FINANCE
SUSTAINABLE FUNDING - PHP27B
ELIGIBLE SUSTAINABLE PORTFOLIO - PHP120B
OPERATIONAL RISK
AML RISK
FRAUD RISK
REPORTED CRIMES & LOSSES (PHP M)
REPUTATIONAL RISK
ONLINE BUZZ & SENTIMENT
ILLUSTRATIVE EXAMPLE

6 RISK GOVERNANCE

The Risk Governance Framework of the Group follows a top-down approach, whereby the Board takes ultimate accountability for: the risks taken, setting the tolerance level for these risks, business strategies, operating budget, policies, and overall risk philosophy.

In the interest of promoting efficient corporate governance, the Board constitutes committees to perform oversight responsibilities. These committees perform oversight functions in the area of risk policy formulation, decision-making, and risk portfolio management.

6.1 Board of Directors

The Board ensures that the Group's corporate objectives are supported by a sound risk strategy and an effective risk governance framework that is appropriate to the nature, scale, and complexity of its activities. The Board provides effective oversight of senior management's actions to ensure consistency with the risk strategy and policies, including the risk appetite framework.

The Board:

- Sets policies, strategies and objectives and **oversees** the executive function
- Sets the **risk appetite** and ensures that it is reflected in the business strategy and cascaded throughout the organization
- Establishes and oversees an effective **risk governance** and **organizational structure**

6.2 Board Committees

Overall responsibility for risk management is with the Board of Directors. More specific responsibilities of the board-level and management committees involved, and assisting the Board, in the risk process are provided below.

THE EXECUTIVE COMMITTEE

The Executive Committee has the authority to act on matters as the Board may entrust to it for action in between meetings of the Board. More specifically, it reviews and approves loans and other credit-related matters, investments, purchase of stocks, bonds, securities and other commercial papers for the bank.

THE RISK OVERSIGHT COMMITTEE (ROC)

The ROC supports the Board with respect to oversight and management of risk exposures of the RCBC parent bank and subsidiaries (the Group)[15]. In this regard, the ROC exercises authority over all other risk committees of the Group, with the principal purpose of assisting the Board in fulfilling its risk oversight responsibilities. The ROC shall:

- **Oversee the risk governance framework.** The ROC ensures that an appropriate risk governance framework is in place, and adopted (as appropriate) across all entities of the RCBC Group.

- **Oversee adherence to risk appetite.** The ROC shall oversee compliance to established risk management policies and limits. The ROC shall ensure that the current and emerging risk exposures are consistent with the Group's strategic and overall risk appetite. It shall assess the overall status of adherence to the risk appetite based on the quality of compliance with the limit structure, policies, and procedures relating to risk management and control, and performance of management, among others;

- **Oversee the risk management function.** The ROC shall be responsible for the appointment/selection, remuneration, and dismissal of the Chief Risk Officer (CRO). It shall also ensure that the risk management function (RMG) has adequate resources including personnel, systems, and other risk management capabilities necessary for the conduct of sound risk management, and effectively oversees the risk taking activities of the Group.

- **Oversee capital planning and management.** The ROC shall review, evaluate, periodically assess for, and report to the Board, the Group's Internal Capital Adequacy Assessment Process (ICAAP), especially relating to:

    - Current and projected capital and risk-weighted asset levels and requirements;
    - Capital allocation among risk-taking units of the Group; and
    - Perceived threats to capital adequacy arising from both identified and unexpected risk factors

- **Oversee recovery plans.** The ROC shall ensure that there is periodic review of the effectiveness of the risk management systems and recovery plans. It shall ensure that implementation is carried out on an enterprise-wide basis, and that corrective actions are promptly implemented to address risk management concerns.

THE ANTI-MONEY LAUNDERING BOARD COMMITTEE

The Anti-Money Laundering Committee is constituted by the Board for the purpose of carrying out its mandate to fully comply with the Anti-Money Laundering Act, as amended, its Revised Implementing Rules and Regulations and the Anti-Money Laundering Regulations under the MORB; and to ensure that Money Laundering/Terrorist Financing risks are effectively managed. The AML Board Committee has

[15] Applies to BSP-regulated RCBC subsidiaries and RCBC affiliates.

oversight on all AML-related matters such as the implementation of the Bank's Anti Money Laundering and Terrorist Financing Prevention Program (MTPP), AML findings, alerts management, and CTRs & STRs. This Committee also ensures that infractions are immediately corrected, issues are addressed and AML training of directors, officers, and staff are regularly conducted.

THE AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee is a board-level committee constituted to perform the following core functions:

- Oversight of the Bank's financial reporting and control, and of internal and external audit functions. This includes responsibility for the setting up of internal audit and for the appointment of the internal auditor as well as the independent external auditor who shall both report directly to the Audit and Compliance Committee.
- Investigation of any matter within its terms of reference, with full access to and cooperation by management and full discretion to invite any director or executive officer to attend its meetings and adequate resources to enable it to effectively discharge its functions.
- The review of the effectiveness of the institution's internal controls, including financial, operational and compliance controls, and risk management, to be conducted at least annually.
- Oversight of regulatory/compliance aspects.

6.2 Role of Parent Bank, Subsidiaries and Affiliates[16]

The Board and senior management of subsidiaries shall be held responsible for effective risk management processes at the subsidiary and affiliate[17] level and must have appropriate influence in the design and implementation of risk management in the subsidiary and affiliate[18]. Conversely, the Board and management of the parent bank is responsible for the risk management of the Group and must exercise oversight over its subsidiaries and affiliates[19] with appropriate processes established to monitor the subsidiaries' and affiliates'[20] compliance to the Group's risk management practices.

6.3 Three Lines of Defense Model

Notwithstanding its defined specific risk management functions, the Group recognizes that the core banking activity of managing risks is not the sole province of RMG. It is rather a function that cuts across the entire organization.

[16] Applies to BSP-regulated RCBC subsidiaries and RCBC affiliates
[17] ibid
[18] ibid
[19] ibid
[20] ibid

In the Three Lines of Defense model, management control is the first line of defense in risk management, the various risk control and compliance oversight functions established by management are the second line of defense, and independent assurance [or audit] is the third. Each of these three lines plays a distinct role within the organization's wider governance framework.[21]

	Responsibilities
1st Line: Business Lines & Support Units	• Every employee is a risk officer; the day to day management of all material risks is the responsibility of all bank personnel • Business lines and support units: o Know our customers well and are best placed to act in both customers' and RCBC's best interests; o Own the risks and are responsible for identifying, monitoring, and controlling them to stay within appetite; and o Are responsible for promoting a culture of compliance and control.
2nd Line: Risk & Control Units	• Risk control owners for their respective specialized risk types: o Monitor and facilitate the implementation of effective risk management practices by the 1st line; o Set standards by which the 1st line is expected to manage risk, including compliance with applicable laws, regulatory requirements, policies, and other relevant standards; o Develop and maintain policies, standards and guidelines, set risk appetite and limits; o Challenge the 1st line on effective risk management, their inputs to, and outputs from, the bank's risk management tools; and o Oversee the optimization of risk-reward trade-off. • Scope of responsibilities is defined by risk type, and not constrained by functional/business/organizational boundaries
3rd Line: Audit	• Auditors: o Evaluate the effectiveness of the risk governance framework (design and implementation); and o Provide an independent, objective assessment to improve the effectiveness of the first two lines of defense.

1ST LINE OF DEFENSE: BUSINESS LINES & SUPPORT UNITS

The first line of defense is the risk-originating units of the bank, which are the business lines and support units. They originate products and activities which are the sources of risks. They are, therefore, in the best position to address risk issues at the onset. Business lines are expected to embed the risk governance framework and sound risk management practices into their respective standard operating procedures. It is the responsibility of every level of management, in every business or functional unit, under the oversight of the Board, to ensure that the risk management process is performed. The establishment of a bank-wide "independent risk management function" to assist the Board does not take away the responsibility for risk management from the line business/functional units. They must, therefore,

[21] Institute of Internal Auditors, 2013. "The Three Lines of Defense in Effective Risk Management and Control", with updates in July 2020

adhere to all applicable policies, procedures, and processes established by the risk management function.

The management of credit risk for instance encompasses the Group's various units involved in the credit or lending cycle spanning origination, evaluation, approval, implementation/account management, and collection/remedial management. Each stage of the cycle is governed by a specific set of policies and procedures.

The same is true with the management of market, interest rate, and liquidity risks. As a general principle, risk-taking units (e.g., Trading, Investment, and Liquidity desks) are themselves risk managers, and are therefore expected to recognize and identify the risks attributed to various traded instruments, investment outlets, and counterparties. Moreover, they are expected to exercise risk control via observance of trading and/or investment rules, and compliance to risk limits set by regulation and those internally approved and set by the Board. Risk control units (e.g. Treasury back office, Settlements) on the other hand are reposed with the responsibility of being the second line of defense.

The management of operational risk too is the responsibility of all Group personnel, with all units of the Group effectively becoming stakeholders in the ORM Framework. In addition to the ORM tools employed by the Group, operating manuals and policies relating to people, process, and systems management are in place and are supplemented by the Group's risk-based internal audit process.

2ND LINE OF DEFENSE: RISK & CONTROL UNITS

The second line of defense are the control functions; independent of the first line. The second line is responsible for developing and implementing a policy framework that reduces or eliminates preventable risks, and reduces the likelihood and impact of strategic and external risks. The second line of defense must:

- Identify, monitor, and escalate risk issues to the Chief Risk Officer;
- Oversee and challenge first line risk-taking activities and review first line risk proposals; and
- Set risk data aggregation, risk reporting, and data quality requirements.

Risk Types

Risk types are risks that are inherent in our strategy and business model. These risks are managed by distinct risk type frameworks.

Risk Type	2nd Line Ownership
1. Credit Risk	Risk Management Group
2. Credit Concentration Risk	Risk Management Group
3. Market Risk	Risk Management Group
4. Interest Rate Risk in the Banking Book	Risk Management Group
5. Liquidity Risk	Risk Management Group
6. Operational Risk	Risk Management Group
7. Strategic Risk	Corporate Planning Group
8. Reputational Risk	Risk Management Group
9. Environmental and Social (E&S) Risk	Risk Management Group

Operational Risk Subtypes

At the enterprise level, the Operational Risk Management function under RMG has overall responsibility for operational risk as Risk Control Owner in the 2nd line of defense. However, the broad scope of operational risk requires subject matter expertise and specialization in areas such as: IT, compliance,

ML/TF, fraud, legal, among others. These specialized areas are categorized as operational risk subtypes. The Risk Control Owners responsible for these subtypes have the same level of authority and responsibility for setting risk management standards as all other Risk Control Owners. They are not subordinated to the Operational Risk Management function. The Operational Risk Management function collaborates with all Risk Control Owners to ensure risk management standards are applied consistently.

Operational Risk Subtype	2nd Line Ownership
1. IT Risk	Risk Management Group
2. Information Security Risk	Risk Management Group
3. Business Continuity Risk	Risk Management Group
4. Regulatory Risk	Regulatory Affairs Group
5. Compliance Risk	Regulatory Affairs Group
6. ML/TF Risk	Regulatory Affairs Group
7. Fraud Risk	Risk Management Group
8. Legal Risk	Legal Affairs Group
9. Human Resource Risk	Human Resources Group
10. Third Party Risk	Risk Management Group

3RD LINE OF DEFENSE: AUDIT

The third line of defense is internal audit. Internal audit reviews the effectiveness of risk management practices. It confirms the level of compliance, recommends improvements, and enforces corrective actions when necessary.

6.4 Risk Management Function

The following functions support the above-mentioned committees and are an integral part of the risk organization of the Bank:

RCBC's RISK MANAGEMENT GROUP

RCBC's Risk Management Group (RMG) supports the ROC in carrying its mandate.

Administratively and functionally, risk management follows the "centralized risk monitoring – decentralized risk management" approach. The risk units in the subsidiaries and affiliates implement the risk management process individually, and report to their respective risk committees.

The Parent Bank's RMG implements the risk management process in the parent and consolidates the risk MIS from the various subsidiary and affiliate[22] risk units for a unified risk profile that is presented to the ROC.

[22] Applies to BSP-regulated RCBC subsidiaries and RCBC affiliates.

The Parent Bank's RMG is responsible for overseeing the risk-taking activities across the Group, as well as in evaluating whether these remain consistent with the Bank's risk appetite and strategic direction. It shall ensure that the Risk Governance Framework remains appropriate relative to the complexity of the Bank's risk taking activities. The Parent Bank's RMG shall be responsible for identifying, measuring, monitoring, and reporting risk on an enterprise-wide basis. It shall directly report to the ROC. Personnel in the Parent Bank's RMG should collectively have knowledge and technical skills commensurate with the Bank's business activities and risk exposures.

Effective January 1, 2025, the policy-making and control functions of the Parent Bank's former Credit Management Group were merged into RMG, with RMG as the surviving Group. The structure and discussions below reflect this merger.

The Risk Management Group (RMG)

CHIEF RISK OFFICER				
Risk Management			**Credit Management**	
Sustainable Finance	**Market and Liquidity Risk Management**		**Analytics**	**Institutional Banking**
Operational Risk Management	**Enterprise Fraud Risk**	**Information Security Governance**	**Consumer Lending**	**RCBC Cards**

Chief Risk Officer

The Chief Risk Officer (CRO) shall have sufficient stature, authority, and seniority within the Bank. He shall be independent from executive functions and business line responsibilities, operations and revenue-generating functions, and shall have access to such information as he deems necessary to form his judgment. The CRO shall have direct access to the Board and the ROC without any impediment. He shall serve on a full-time basis and shall functionally report to the ROC.

Responsibilities of the CRO: The CRO has the broad and exclusive responsibility for all risk issues. The CRO performs the critical executive function relating to risk management. The CRO should be able to adequately communicate the risk assessment to the Board and facilitate sound board-level risk decisions. The CRO shall be responsible for overseeing the risk management function and shall supports the Board in the development of the risk appetite and risk appetite statement of the Bank and for translating the risk appetite into a risk limits structure. The CRO shall likewise propose enhancements to risk management policies, processes, and systems to ensure that the Bank's risk management capabilities are sufficiently robust and effective to fully support strategic objectives and risk-taking activities.

The following are the major risk management divisions and departments under RMG.

CHIEF SUSTAINABILITY OFFICER AND SUSTAINABLE FINANCE DIVISION HEAD		
Portfolio Analytics	**Sustainable Asset Management**	**Sustainable Lending**

Sustainable Finance Division: The Chief Sustainability Officer (CSO) is tasked to lead and oversee the Bank's sustainability efforts and harmonize such with different groups and subsidiaries of the Bank. The CSO also serves as the Head of Sustainable Finance Division (SFD) which primarily handles credit risk mitigation, capital adequacy measurement, regulatory compliance, and E&S risk mitigation functions. Credit risk mitigation falls under Independent Credit Review which was created in line with the requirements of BSP Circular 855 on credit review process. This is complemented by activities involving measurement and monitoring of BSP requirements on lending, capital adequacy, back testing, model performance review, and stress testing, all of which are handled by the Portfolio Analytics Department.

E&S risk mitigation is handled by the Sustainable Asset Management and Sustainable Lending Departments which are tasked to implement RCBC's Sustainable Finance Framework and Environmental and Social Management System (ESMS) Policy, respectively. This is in support of MORB Section 153[23] and of the Bank's commitment to uphold E&S responsibility in all its business activities. Regular SFD updates are submitted to the ROC. SFD contributes to risk portfolio management and attainment of financial sustainability through the assessment of the Bank's overall portfolio quality in terms of credit risk, capital adequacy, regulatory compliance, and E&S impact.

MARKET AND LIQUIDITY RISK MANAGEMENT DIVISION HEAD	
Market Risk	**Liquidity Risk**

Market and Liquidity Risk Management Division: The Market and Liquidity Risk Management Division (MLRMD) is primarily tasked with the development and implementation of market risk, liquidity risk, and IRRBB policies and measurement methodologies, recommending and monitoring compliance to risk limits, and reporting the same to the appropriate bodies. It regularly reports to the ROC and the Asset & Liability Committee (ALCO) activities relevant to market risk, liquidity risk, and IRRBB management of the Group.

OPERATIONAL RISK MANAGEMENT DIVISION HEAD			
Business Operational Risk	**Reputational Risk**	**Business Resiliency**	**Trust & Insurance Risk**

Operational Risk Management Division: The Operational Risk Management Division (ORMD) was created to ensure that operational risks are managed at an enterprise level, the systems and processes used to manage these risks are effectively implemented, and that management of these risks is embedded in the Group's processes.

ORMD is tasked to ensure implementation of the Operational Risk Management Framework (ORMF) across the Group; and to develop an appropriate operational risk management environment where operational risks are identified, assessed, reported, monitored, and controlled/mitigated. It is also expected to identify and recommend mitigants for emerging risk types, and to promote and maintain quality operational risk programs and infrastructure. ORMD also ensures the timely and quality renewal of institutional-wide insurance policies to protect the Bank against unexpected and substantial unforeseeable losses.

ORMD, through the Business Resiliency Department (BRD) is responsible for ensuring the Bank's capability to plan and respond to incidents and business disruptions and enable the continuity of key business operations at predefined acceptable levels.

ORMD, through the Reputational Risk Department (RRD), provides the processes and methodologies designed to protect the clients tvia the Bank's Financial Consumer Protection Assistance Mechanism (FCPAM), Consumer Protection Framework and Reputational Risk Framework.

[23] MORB Section153 (as introduced by BSP Circular 1085, April 2020) has the following amendments: BSP Circular 1128, Environmental and Social Risk Management Framework, Oct 2021; BSP Circular 1149, Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks, August 2022

To facilitate implementation of ORM tools in the various business lines of both the parent bank and its subsidiaries, various officers are deputized and serve as embedded Deputy Operational Risk Officers (DORO), Consumer Assistance Officers (CAO) and Business Continuity Planning (BCP) Leaders. A DORO, CAO or BCP Leader functions as ORMD's liaison to and implementation arm in the various business units for Operational Risk, Reputational Risk and Business Resiliency, respectively.

ENTERPRISE FRAUD RISK DIVISION HEAD		
Investigation and Resolution	**Special Cases Investigation**	**Detection and Monitoring**

Enterprise Fraud Risk Division: The Enterprise Fraud Risk Division (EFRD) is tasked to ensure proper observance of the fraud management program (i.e., prevention, detection, investigation and escalation, containment and recovery, analysis and recommendation), and provide a high-level Enterprise-wide Fraud Risk Management Framework and its corresponding policies and standards. This serves as the basis upon which the Business, Operations and Support units will develop their own specific procedures and guidelines that will operationalize the controls to mitigate fraud risks that are inherent in their day-to-day activities.

EFRD also conducts periodic analysis of all fraud incidents and losses, creates rules/parameters for monitoring, investigates fraud cases, and determines current and emerging fraud risk trends which are reported to the Board, through the ROC, and to the Management, thereby assisting them to make well-informed fraud risk management decisions.

CHIEF INFORMATION SECURITY OFFICER AND INFORMATION SECURITY GOVERNANCE DIVISION HEAD		
Information Security Risk	**IT Security Governance**	**Data Governance**

Information Security Governance Division: The Information Security Governance Division (ISGD) deals with all aspects of information whether spoken, written, printed, electronic, or relegated to any other medium regardless of whether it is being created, viewed, transported, stored, or destroyed. This covers all business units, branches/offices, and subsidiaries, both domestic and overseas, third party institutions, and individuals. ISGD also performs oversight on data governance.

The ISGD is tasked to ensure compliance with regulatory requirements set forth by the regulating bodies and laws in the areas of information security and electronic banking services. The department monitors and ensures that policies, procedures, and standards in managing information security, technology risk, and data governance are observed across the Group. It also oversees and is part of the process for detecting, analyzing, and responding to any information security incident. ISGD also keeps the Board and senior management apprised on information security risks.

ISGD executes an Information Security Strategic Plan (ISSP) and Information Security Program (ISPr) aligned with the business objectives of the Group. The department also establishes governance-specific policies, standards, and procedures for information security risk management, conducts trainings and issues advisories to increase information security awareness, and performs the Information Security Risk Assessment (ISRA) and Information Security Annual Certification (ISAC) for the whole RCBC Group to manage, identify, and address information security risks.

ISGD is responsible for setting and enforcing policies, procedures, and standards for data management, ensuring its integrity, security, and compliance with policies and regulations. ISGD works closely with other business units to define data ownership, access controls, and usage guidelines, ultimately safeguarding the organization's data assets and maintaining trust with stakeholders. By fostering a culture

of accountability and transparency, the data governance department empowers organizations to utilize data as a strategic asset, enhancing decision-making and generating business value.

IBG - CREDIT DIVISION	CLG - CREDIT DIVISION	RCBC CARD CREDIT
CREDIT ANALYTICS DIVISION		

Credit management within RMG focuses on the following aspects of the credit cycle:

1. Setting up of credit policies and guidelines that standardize lending principles across units (consumer, cards, and business lending)

2. Credit analysis embedded in the respective lending units while maintaining matrix reporting with RMG, e.g.

Credit analysts, while embedded in the lending group, shall:

a. Report directly to the Group Head of the Lending Unit
b. Be responsible for the independent credit evaluation of accounts processed, where applicable,
c. Independently run scorecards, risk ratings on recommended credit exposures.

3. Providing reasonable assurance to stakeholders on the quality of the Bank's loan books through:

a. Monitoring and reporting of the Bank's asset quality with adoption of an early warning framework
b. Calibration of existing policies, guidelines and procedures as necessary
c. Escalation and/or recommendation for line suspensions if warranted by customer profile deterioration as determined by Early Warning Indicators, or rating based on latest financial performance

4. Ensuring that the Bank is adequately provisioned across its lending portfolio.

ANNEXES

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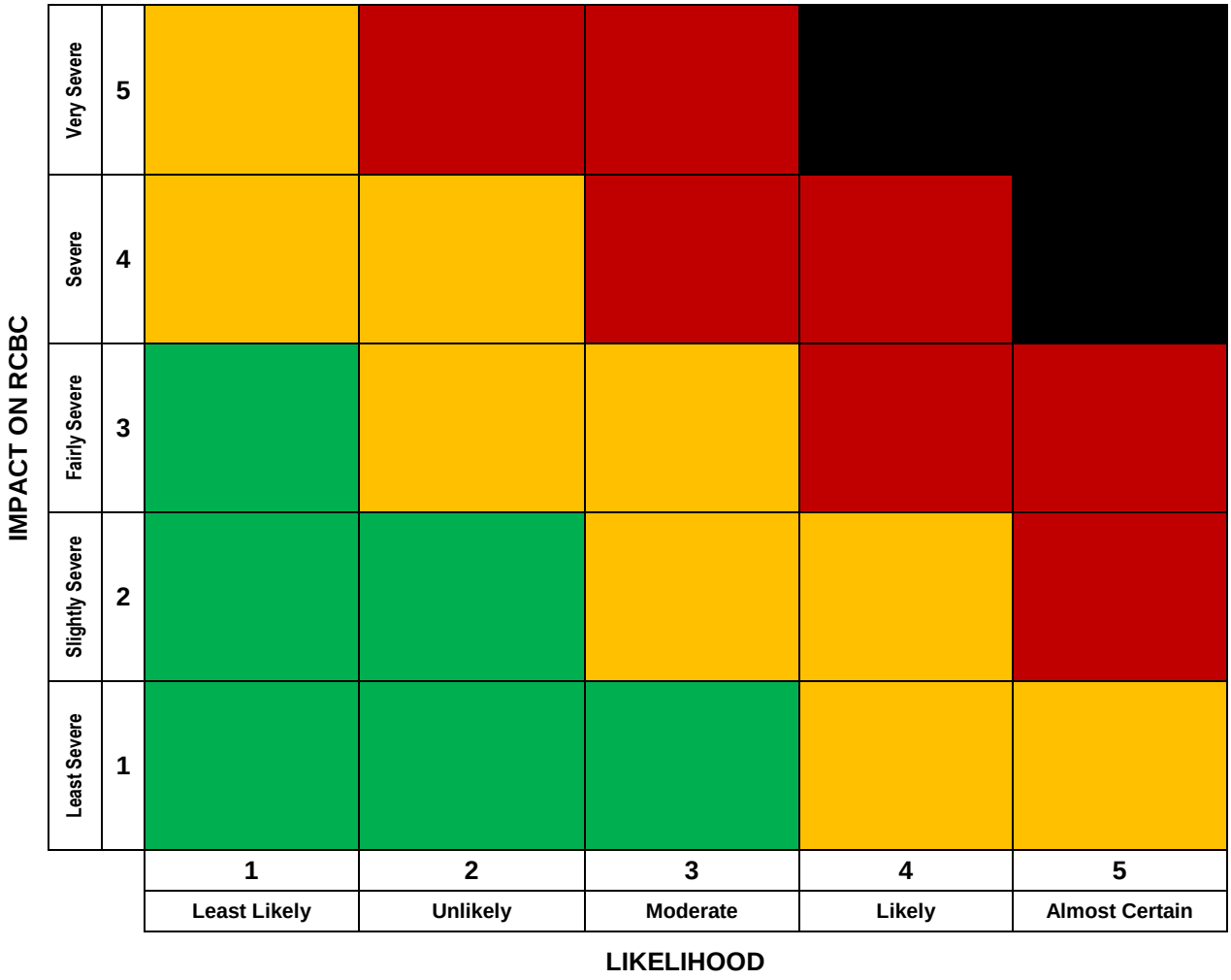
Annex A: Heat Map

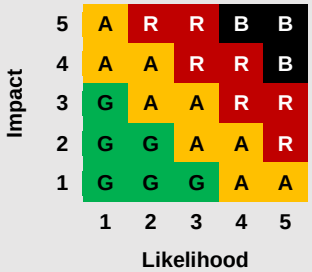


EXPLANATION OF HEAT MAP

The heat map is a visual representation of risk appetite in the form of a matrix.

A risk type rated 1 for likelihood and 3 for impact would fall on the green area of the map, and belong to the LOW RISK category. A risk type rated (3,2) would fall on the amber area, and belong to the MEDIUM RISK category. A risk type falling on the red area would belong to the HIGH RISK category, while a risk type rated (5,5) would fall on the black area and belong to the VERY HIGH RISK category.

A risk's location on the map represents whether that risk is within RCBC's risk appetite at a point in time.



Color	Risk Category
Black	Very High
Red	High
Amber	Medium
Green	Low

If a risk type falls on a green quadrant, in the low risk category, then it is in effect, within the bank's appetite. Risks in higher categories are beyond RCBC's risk appetite and warrant immediate attention and senior management oversight.

Annex B: Risk Assessment Measures

In order to assess risks more precisely, measures for the assessment of a risk's probability of occurrence (likelihood), and severity or amount of loss/damage (impact) shall be patterned after the sample scales below:

	LIKELIHOOD
1 – Least likely	No known history for past year
2 – Unlikely	Previous history for the past 6 months
3 – Moderate	Previous history for the past 3 months
4 – Likely	Risk event occurs monthly
5 – Almost certain	Risk event occurs weekly

	FINANCIAL IMPACT	STRATEGIC IMPACT	COMPLIANCE IMPACT	REPUTATION IMPACT	MARKET IMPACT
1 – Least severe (low)	Loss ≤ Php50M	N/A	N/A	N/A	N/A
2 – Slightly severe	Php50M < Loss ≤ Php100M	Impact both minor & short term	Written notice from Regulators	Negative verbal feedback from stakeholders	Reduced confidence in the products offered
3 – Fairly severe (moderate)	Php100M < Loss ≤ Php150M	Noticeable impact but bus. still on course	Regulatory actions taken by authorities	Negative written feedback from stakeholders	Diminished perception of the bank
4 – Severe	Php150M < Loss ≤ Php200M	Major impact on important business objective	Significant regulatory actions taken by authorities	Stakeholder complaints that are publicized in PH media	Critical impairment to perception of the bank
5 – Very severe (high)	Loss > Php200M	Major impact on direction of business	'Blacklisting' by regulatory authorities	Negative media coverage over extended period	Clients do not wish to be associated with the bank

For financial impact assessment, loss amount includes actual and (percentage of) potential. Historical flow of potential to actual and/or expected recoverable amount may be considered in determining the percentage of potential losses to be included in the assessment.

Annex C: Risk Types: Definition and Ownership

	RISK TYPE	DEFINITION	2ND LINE OWNERSHIP[24]	RESPONSIBLE GROUP HEAD
1.	**Credit Risk**	Risk of loss arising from a counterparty's failure to meet the terms of any contract with the bank or otherwise perform as agreed. Credit risk is found in all activities where success depends on counterparty, issuer, or borrower performance. It arises anytime funds are extended, committed invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet. Credit risk is not limited to the loan portfolio.	Risk Management Group	Bennett Clarence Santiago
2.	**Credit Concentration Risk**	Risk of loss arising from excessive credit exposures to individual borrower, groups of connected counterparties and groups of counterparties with similar characteristics (e.g., counterparties in specific geographical locations, economic or industry sectors) or entities in foreign country or a group of countries with strong interrelated economies.	Risk Management Group	Bennett Clarence Santiago
3.	**Market Risk**	Risk to earnings or capital arising from adverse movements in factors that affect the market value of instruments, products, and transactions in the Bank's trading book portfolio, both on- and off-balance sheet.	Risk Management Group	Bennett Clarence Santiago
4.	**Interest Rate Risk in the Banking Book**	Current and prospective risk to earnings and capital arising from adverse movements in the interest rates that affect the Bank's banking book positions.	Risk Management Group	Bennett Clarence Santiago
5.	**Liquidity Risk**	Current and prospective risk to earnings or capital arising from a Bank's inability to meet its obligations when they come due without incurring unacceptable losses or costs. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources.	Risk Management Group	Bennett Clarence Santiago
6.	**Operational Risk**	Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.	Risk Management Group	Bennett Clarence Santiago
7.	**Strategic Risk**	Current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes and other external developments.	Corporate Planning Group	Ma. Christina Alvarez

[24] See additional 2nd line owners for Operational Risk on page 32 and for Strategic Risk on page 34.

	RISK TYPE	DEFINITION	2ND LINE OWNERSHIP[24]	RESPONSIBLE GROUP HEAD
8.	**Reputational Risk**	Risk to earnings, capital, and liquidity arising from negative perception on the Bank of its customers, shareholders, investors, and employees, market analysts, the media, and other stakeholders such as regulators and other government agencies, that can adversely affect the bank's ability to maintain existing business relationships, establish new businesses or partnerships, or continuously access varied sources of funding.	Risk Management Group	Bennett Clarence Santiago
9.	**Environmental and Social (E&S) Risk**	Risk of potential financial, legal, and/or reputational negative effect of E&S issues on the Bank.	Risk Management Group	Bennett Clarence Santiago

Annex D: Operational Risk (1/2)

Definition[25]: Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events

At the enterprise level, Operational Risk Management has overall responsibility for Operational Risk as a Risk Control Owner in the 2nd line of Defense. The broad scope of Operational Risk requires subject matter expertise and specialization in areas such as: ML/TF, Information Technology, Legal etc. These specialized areas are categorized as Operational Risk subtypes. The Risk Control Owners responsible for Operational Risk subtypes have the same level of authority and responsibility for setting risk management standards as all other Risk Control Owners. They are not subordinated to the Operational Risk Management Function. The Operational Risk Management function collaborates with all Risk Control Owners to ensure Risk Management standards are applied consistently.

	OPERATIONAL RISK SUBTYPE	DEFINITION	2ND LINE OWNERSHIP	RESPONSIBLE GROUP HEAD
1.	**IT Risk**	Risk of loss resulting from adverse outcome, damage, loss, violation, failure or disruption associated with the use of or reliance on computer hardware, software, devices, systems, applications and networks.	Risk Management Group	Bennett Clarence Santiago
2.	**Information Security Risk**	Risk of loss resulting from information security/cyber security breaches.	Risk Management Group	Bennett Clarence Santiago
3.	**Business Continuity Risk**	Risk of loss resulting from a prolonged interruption in business operations.	Risk Management Group	Bennett Clarence Santiago
4.	**Regulatory Risk**	Risk of loss arising from probable mid-stream changes in the regulatory regime affecting current position and/or strategy.	Regulatory Affairs Group	Sheila Ricca Dioso
5.	**Compliance Risk**	Current and prospective risk to earnings or capital arising from violations of, or non-conformance with, laws, rules, regulations, prescribed practices, internal policies and procedures, or ethical standards.	Regulatory Affairs Group	Sheila Ricca Dioso
6.	**ML/TF Risk**	Risk of loss arising from a covered person's failure to prevent itself from being used as a money laundering site and conduit for the proceeds of unlawful activities as well as financing the act of terrorism.	Regulatory Affairs Group	Sheila Ricca Dioso
7.	**Fraud Risk**	Risk of loss resulting from falling victim to activities involving internal and/or external fraud.	Risk Management Group	Bennett Clarence Santiago
8.	**Legal Risk**	Risk of loss resulting from uncertainty of legal proceedings that the Bank is currently or expected to be involved in.	Legal Affairs Group	George Gilbert dela Cuesta

[25] Basel / BSP Circular 538

	OPERATIONAL RISK SUBTYPE	DEFINITION	2ND LINE OWNERSHIP	RESPONSIBLE GROUP HEAD
9.	**Human Resource Risk**	Risk of loss arising from non-compliance with the Human Resources policies including Code of Conduct.	Human Resources Group	Rowena Subido
10.	**Third Party Risk**	Any risk associated with engaging a third party in the context of providing a service or product to a client (the second party). It is an umbrella term covering several potential risk types depending on the product or service, the third party and the nature of the engagement / relationship.	Risk Management Group	Bennett Clarence Santiago

Annex E: Operational Risk (2/2)

OPERATIONAL RISK EVENT TYPES IDENTIFIED BY THE BASEL COMMITTEE

	EVENT TYPES	EXAMPLES
1.	**Internal Fraud**	Misappropriation of assets, tax evasion, intentional mismarking of positions, bribery
2.	**External Fraud**	Theft of information, hacking damage, third-party theft and forgery
3.	**Business Disruption and Systems Failures**	Utility disruptions, software failures, hardware failures
4.	**Execution, Delivery, and Process Management**	Data entry errors, accounting errors, failed mandatory reporting, negligent loss of client assets
5.	**Employment Practices and Workplace Safety**	Discrimination, workers compensation, customer and employee health and safety, threats to community, biodiversity and cultural heritage.
6.	**Clients, Products, and Business Practice**	Market manipulation, antitrust, improper trade, product defects, fiduciary breaches, account churning
7.	**Damage to Physical Assets**	Natural disasters, climate change (both physical and transition), water crises, environmental pollution, waste management, terrorism, vandalism

Annex F: Strategic Risk

Certain risks or events could affect the RCBC Group's strategies and business direction. Improper formulation or implementation of decisions in response to these risks, or lack of responsiveness to changes in industry and other external developments may have an adverse impact to the Group's financial position, reputation, competitiveness or business prospects. The list of risk events is compiled for reference only and should not be regarded as a complete list of the possible risk events that may affect the implementation of strategy. The events are not mutually exclusive and may occur in combination with one or two other risk events.

	RISK/ EVENT	DEFINITION	HOW IS IT MANAGED?
1.	**Real Estate Bubble**	Risk of loss resulting from a real estate bubble (prices fueled by demand & speculation, then demand decreases as supply increases, resulting in a sharp price drop)[26]	The Bank's real estate exposure is monitored by different groups at different levels. Regulatory ratios (i.e., real estate loan limit, capital requirement after real estate stress test (REST)) and internal limits on real estate exposures are monitored and reported. Both industry and account specific risk ratings help track the risks within the portfolio.
2.	**Macroeconomic/ Contagion Risk**	Risk of loss arising from a shock in a particular economy or region spreading out and affecting others[27]	The process of monitoring and reporting under the strategic management process includes the tracking of macro-economic conditions affecting the Bank and is embedded in the management process through daily reports and weekly ALCO Eco updates from the Chief Economist. Limits and triggers (i.e., management action triggers) allow early management attention and response. Contingency plans (i.e., Liquidity Funding Plan, Recovery Plans) are in place of severe scenarios.
3.	**Systemic Banking Crisis**	The risk of financial difficulties at one or more banks spilling over to a large number of other banks or the financial system as a whole[28]	The Bank has an Enterprise Risk Management System, the ICAAP and the Recovery Plan in place to manage this risk.
4.	**Digital Risk**	Refers to all unexpected consequences that result from digital transformation and disrupt the achievement of business objectives[29]	The Bank manages this risk through an updated and robust cybersecurity program and policy. The IT and Fraud risk management system also helps to manage this risk. Strict implementation of the Know Your Customer (KYC) process is imbedded in the control processes.

[26] Bankrate. Real Estate Bubble. 2021, https://www.bankrate.com/glossary/r/real-estate-bubble/
[27] The Economic Times. ContagionI.2021, https://economictimes.indiatimes.com/definition/contagion
[28] Schoenmaker, D. Contagion Risk in Banking. Web Actuaries, 2021, https://web.actuaries.ie/sites/default/files/erm-resources/345_contagion_risk_in_banking.pdf
[29] Kost, E. *What is Digital Risk? Definition and Protection Tactics for 2021.*2021, https://www.upguard.com/blog/digital-risk

	RISK/ EVENT	DEFINITION	HOW IS IT MANAGED?
5.	**Infectious Diseases**	Massive and rapid spread of viruses, parasites, fungi or bacteria that cause an uncontrolled contagion of infectious diseases, resulting in an epidemic or pandemic with loss of life and economic disruption[30]	The Bank has a robust business continuity plan and infectious disease plan in place to manage this risk.

Aside from the strategies listed above, strategic risk is primarily managed by maintaining competitive prices, developing relevant products, and through superior customer service. This is in line with the Group's objective of managing strategic risk which is to retain customers, maintain competitive advantage, and become an employer of choice.

[30] World Economic Forum's The Global Risks Report 2021 https://www.weforum.org/reports/the-global-risks-report-2021

WORKS CITED

1. Deloitte, 2014. “Risk Appetite Frameworks: How to Spot the Genuine Article”

2. Financial Stability Board (FSB), 2013. “Principles for an Effective Risk Appetite Framework”

3. Harvard Business Review, 2012. “Managing Risks: A New Framework”

4. Institute of Internal Auditors, 2013. “The Three Lines of Defense in Effective Risk Management and Control”, with updates in July 2020

5. Senior Supervisors Group (SSG), 2009. “Risk Management Lessons from the Global Banking Crisis of 2008”

ANNEX 7

Supplement to Recommendation 3.2
ACC Minutes on the approval of the non-audit services of the External Auditor

IV. MATTERS FOR NOTATION

[redacted]

C. Notification of Engagement Fees to perform Agreed-Upon Procedures (AUP) for the issuance of Comfort Letters

EDS presented the Punongbayan and Araullo's (P&A) engagement and fees to perform AUP for the updating of the bank's Peso Bond Programme. Refer to **Annex A** page 50 for the details.

The Committee noted the engagement and the fees presented.

DATE : March 18, 2025

FOR : AUDIT AND COMPLIANCE COMMITTEE (ACCom)

FROM : TREASURY GROUP

SUBJECT : NOTIFICATION OF (P&A) ENGAGEMENT AND FEES TO PERFORM AUP FOR THE UPDATING OF THE BANK'S PESO BOND PROGRAMME

[redacted]

P&A ENGAGEMENT FEE

[redacted]

For the Committee's confirmation.

ANNEX 8

Recommendation 4.1.1

Board minutes showing attendance and participation of Board members via videoconferencing

RIZAL COMMERCIAL BANKING CORPORATION
6819 Ayala Avenue corner Sen. Gil J. Puyat Avenue, Makati City
Minutes of the Regular Meeting of the
Board of Directors
April 28 2025, 2:00 p.m.
Via Remote Communication
(Zoom Meeting ID: 823 3053 5473; Passcode: BoDApr025)

Members Present:
1. Ms. Helen Y. Dee, Chairperson
2. Mr. Cesar E.A. Virata, Corporate Vice Chairperson
3. Mr. Eugene S. Acevedo, President and CEO
4. Mr. Armando M. Medina
5. Mr. John Law
6. Mr. Shih-Chiao (Joe) Lin
7. Ms. Gwyneth P. Bery
8. Mr. Hiroki Nakatsuka
9. Mr. Katsufumi Uchida
10. Mr. Jose B. Santos, Lead Independent Director
11. Mr. Gabriel S. Claudio, Independent Director
12. Mr. Vaughn F. Montes, Ph.D., Independent Director
13. Mr. Lauro E. Serrano, Independent Director
14. Ms. Erika Fille T. Legara, Ph.D., Independent Director

Advisory Board Members Present:
1. Ms. Yvonne S. Yuchengco
2. Mr. Francis C. Lanuel
3. Atty. Lilia B. de Lima
4. Mr. Masayuki Kawakami

1. QUORUM

With 11 directors participating face-to-face and 3 by remote communication, Atty. dela Cuesta confirmed the presence of a quorum. The location of the directors participating by remote communication and the gadgets used are listed in the Table annexed to this Minutes.

ANNEX
LOCATION AND DEVICE OF EACH DIRECTOR WHO ATTENDED THE MEETING

	Director	Location	Device
1.	Mr. Katsufumi Uchida	Singapore	Laptop
2.	Mr. John Law	Taipei	Laptop
3.	Ms. Erika Fille T. Legara	Makati	Laptop

RIZAL COMMERCIAL BANKING CORPORATION
6819 Ayala Avenue corner Sen. Gil J. Puyat Avenue, Makati City
Minutes of the Regular Meeting of the
Board of Directors
May 26, 2025, 2:00 p.m.
Via Remote Communication
(Zoom Meeting ID: 817 2639 3231; Passcode: BoDMay2025)

Members Present:
1. Ms. Helen Y. Dee, Chairperson
2. Mr. Cesar E.A. Virata, Corporate Vice Chairperson
3. Mr. Eugene S. Acevedo, President and CEO
4. Mr. Armando M. Medina
5. Mr. John Law
6. Mr. Shih-Chiao (Joe) Lin
7. Ms. Gayatri P. Bery
8. Mr. Hiroki Nakatsuka
9. Mr. Katsufumi Uchida
10. Mr. Juan B. Santos, Lead Independent Director
11. Mr. Gabriel S. Claudio, Independent Director
12. Mr. Vaughn F. Montes, Ph.D., Independent Director
13. Mr. Laurito E. Serrano, Independent Director
14. Ms. Erika Fille T. Legara, Ph.D., Independent Director

Advisory Board Members Present:
1. Ms. Yvonne S. Yuchengco
2. Mr. Francis C. Laurel
3. Atty. Lilia B. de Lima
4. Mr. Masayuki Kawakami

I. QUORUM

With 13 directors participating face-to-face and 1 by remote communication, Atty. dela Cuesta confirmed the presence of a quorum. The location of the directors participating by remote communication and the gadgets used are listed in the Table annexed to this Minutes.

ANNEX
LOCATION AND DEVICE OF EACH DIRECTOR WHO ATTENDED THE MEETING

	Director	Location	Device
1.	Mr. Katsufumi Uchida	Singapore	Laptop

RIZAL COMMERCIAL BANKING CORPORATION
6819 Ayala Avenue corner Sen. Gil J. Puyat Avenue, Makati City
Minutes of the Regular Meeting of the
Board of Directors
June 30, 2025, 1:56 p.m.
RCBC Boardroom, 47th Floor, Yuchengco Tower, RCBC Plaza
and Via Remote Communication
(Zoom Meeting ID: 860 7915 5561; Passcode: BoDJun2025)

Members Present:
1. Ms. Helen Y. Dee, Chairperson
2. Mr. Cesar E.A. Virata, Corporate Vice Chairperson
3. Mr. Eugene S. Acevedo, President and CEO
4. Mr. Armando M. Medina
5. Mr. John Law
6. Mr. Shih-Chiao (Joe) Lin
7. Ms. Gayatri P. Bery
8. Mr. Hiroki Nakatsuka
9. Mr. Katsufumi Uchida
10. Mr. Juan B. Santos, Lead Independent Director
11. Mr. Gabriel S. Claudio, Independent Director
12. Mr. Vaughn F. Montes, Ph.D., Independent Director
13. Mr. Laurito E. Serrano, Independent Director
14. Ms. Erika Fille T. Legara, Ph.D., Independent Director

Advisory Board Members Present:
1. Ms. Yvonne S. Yuchengco
2. Mr. Francis C. Laurel
3. Atty. Lilia B. de Lima
4. Mr. Masayuki Kawakami

I. QUORUM

With 13 directors participating face-to-face and 1 by remote communication, Atty. dela Cuesta confirmed the presence of a quorum. The location of the directors participating by remote communication and the gadgets used are listed in the Table annexed to this Minutes.

ANNEX
LOCATION AND DEVICE OF EACH DIRECTOR WHO ATTENDED THE MEETING

	Director	Location	Device
1.	Ms. Gayatri P. Bery	London	iPad

RIZAL COMMERCIAL BANKING CORPORATION
6819 Ayala Avenue corner Sen. Gil J. Puyat Avenue, Makati City
Minutes of the Regular Meeting of the
Board of Directors
November 24, 2025, 2:30 p.m.
RCBC Boardroom, 47th Floor, Yuchengco Tower, RCBC Plaza
and Via Remote Communication
(Zoom Meeting ID: 886 4516 4507; Passcode: BoDNov2025)

Members Present:
1. Ms. Helen Y. Dee, Chairperson
2. Mr. Cesar E.A. Virata, Corporate Vice Chairperson
3. Mr. Reginaldo Anthony B. Cariaso, President and CEO
4. Mr. Eugene S. Acevedo
5. Mr. Armando M. Medina
6. Mr. John Law
7. Mr. Shih-Chiao (Joe) Lin
8. Mr. Hiroki Nakatsuka
9. Mr. Katsufumi Uchida
10. Mr. Lauro E. Serrano, Independent Director
11. Ms. Erika Fille T. Legara, Ph.D., Independent Director
12. Mr. Carlos G. Dominguez, Independent Director
13. Mr. Alexander A. Patricio, Independent Director
14. Mr. Daniel Gabriel M. Montecillo, Independent Director

Members Absent:
15. Ms. Gayatri P. Bery

Advisory Board Members Present:
1. Ms. Yvonne S. Yuchengco
2. Mr. Francis C. Laurel
3. Atty. Lilia B. de Lima
4. Mr. Yasunori Takahashi

I. QUORUM

With 12 directors participating face-to-face and 2 by remote communication, Atty. dela Cuesta confirmed the presence of a quorum. The location of the directors participating by remote communication and the gadgets used are listed in the Table annexed to this Minutes.

ANNEX
LOCATION AND DEVICE OF EACH DIRECTOR WHO ATTENDED THE MEETING

	Director	Location	Device
1.	Mr. Shih-Chiao Lin	Taipei	iPad
2.	Mr. Katsufumi Uchida	Singapore	iPad

ANNEX 9

Recommendation 4.1.3
Board minutes showing board members' engagement in the discussion

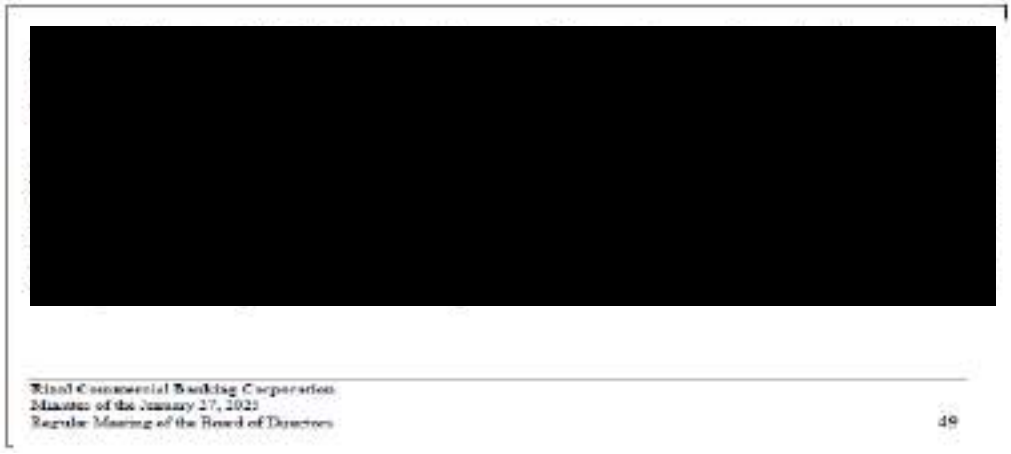
Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company. Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting) –
Materials are sent ahead of time to the Board so that they are fully informed of the matters to be taken up during Board Meetings. The discussions during meetings show that the directors act in good faith, with due diligence and care, and in the best interest of the company.
Sample Minutes from Board meetings

January 27, 2025

[redacted]

[redacted]

Rizal Commercial Banking Corporation
Minutes of the January 27, 2025
Regular Meeting of the Board of Directors 48


[redacted]

Rizal Commercial Banking Corporation
Minutes of the January 27, 2025
Regular Meeting of the Board of Directors 49

[redacted]

[redacted]

February 24, 2025

[redacted]

[redacted]

[redacted]

[redacted]

Mr. Santos stated that the Board has the responsibility to try to help management in the process of

[redacted]

[redacted]

[redacted]

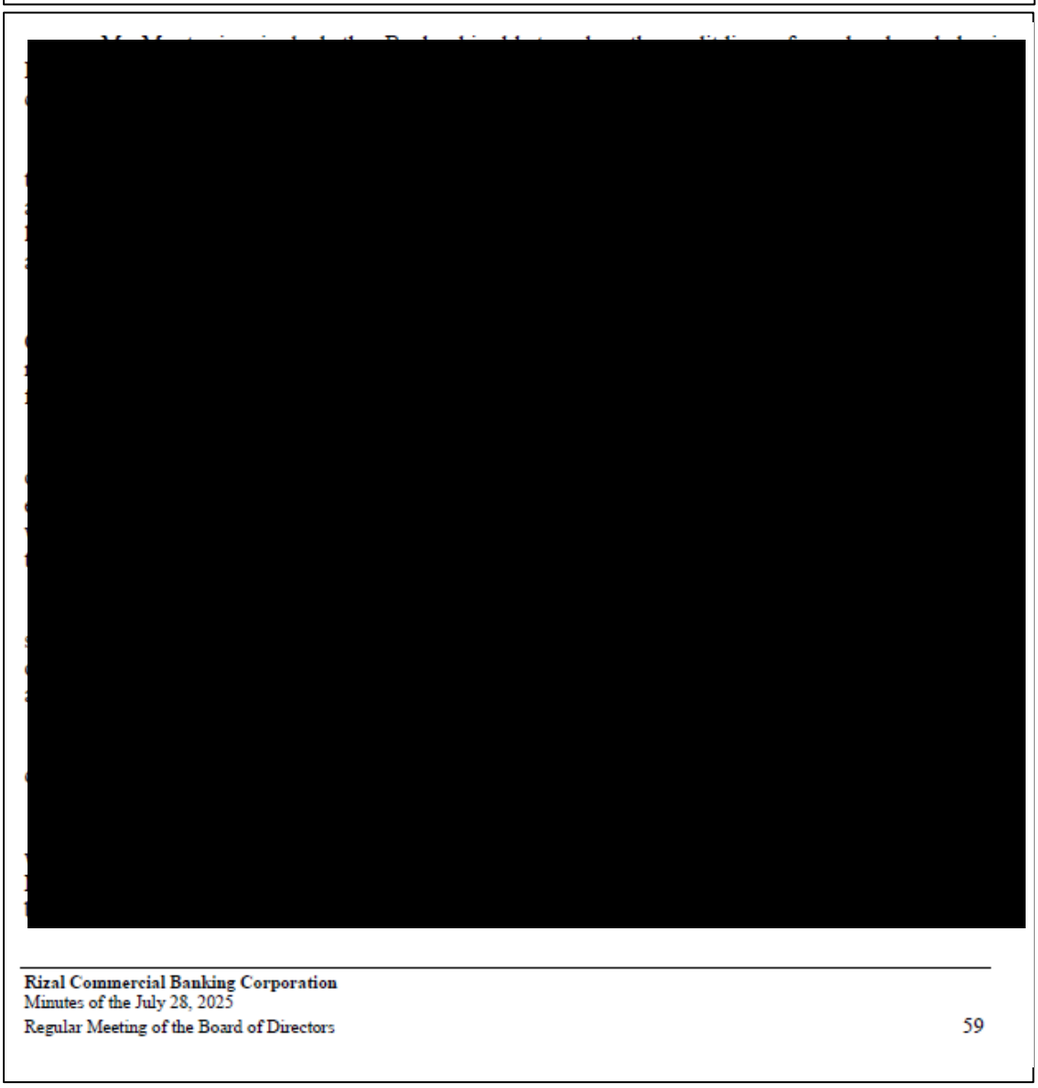
[redacted]

[redacted]

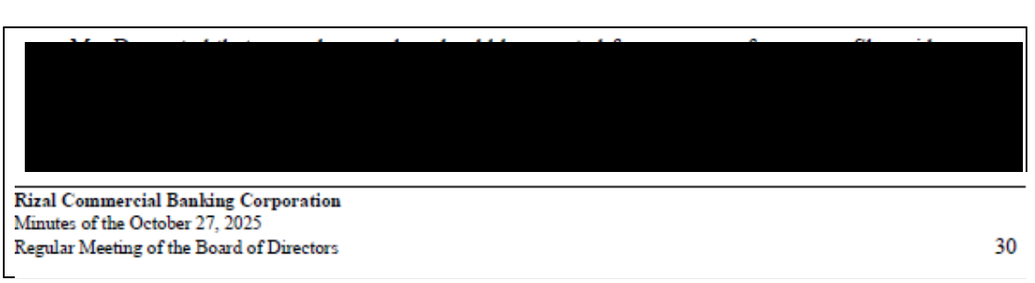
[redacted]

[redacted]

July 28, 2025



October 27, 2025



[redacted]

[redacted]

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ANNEX 10

Recommendation 4.3.1

Various memos to the Corporate Governance Committee (CG Com) for additional directorships and Excerpts of the Minutes showing CG Com's endorsement and approval by the Board.

TO: **CORPORATE GOVERNANCE COMMITTEE**
DATE: April 2, 2025
SUBJECT: **Minor Change in Interlocking Position of Mr. Katsufumi Uchida**

In accordance with BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the minor change in interlocking positions of Director Katsufumi Uchida for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval. The change is as follows:

Registered Name	Position
Sumitomo Mitsui Banking Corporation	Managing Executive Officer
	~~Co-~~Head of Asia Pacific Division
Sumitomo Mitsui Financial Group	Managing Executive Officer

TO: **CORPORATE GOVERNANCE COMMITTEE**
DATE: June 10, 2025
SUBJECT: **Evaluation of the Additional Interlocking Position of Mr. Eugene S. Acevedo (Cebu Landmasters Inc.)**

In accordance with BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the new interlocking position of President and CEO/Director Eugene S. Acevedo, for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval/confirmation. Mr. Acevedo's term as President and CEO will end on June 30, 2025.

The request covers Mr. Acevedo's interlocking position as Independent Director of Cebu Landmasters, Inc. (CLI), a publicly-listed real estate development company. CLI only meets quarterly via Zoom.

TO: **CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE**
DATE: July 7, 2025
SUBJECT: **Evaluation of the Additional Interlocking Positions of Mr. Reginaldo Anthony B. Cariaso (Subsidiaries)**

In accordance with BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the new interlocking position of President and CEO/Director Reginaldo Anthony B. Cariaso, for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval/confirmation.

Mr. Cariaso's term as President and CEO started on July 1, 2025. In such capacity, he will be taking on the directorships in the subsidiaries held by his predecessor, Mr. Eugene S. Acevedo.

TO:	**CORPORATE GOVERNANCE COMMITTEE**
DATE:	July 14, 2025
SUBJECT:	**Evaluation of the Additional Interlocking Position of Mr. Eugene S. Acevedo (AY Foudnation Inc.)**

In accordance with BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the new interlocking position of Director Eugene S. Acevedo, for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval/confirmation.

The request covers Mr. Acevedo's interlocking position as Trustee of AY Foundation Inc., a charitable institution under the YGC Group. Their Board meets only 3 times a year by remote communication.

TO:	**CORPORATE GOVERNANCE COMMITTEE**
DATE:	July 31, 2025
SUBJECT:	**Evaluation of the Additional Interlocking Position of Mr. Eugene S. Acevedo (Malayan Insurance Co., Inc.)**

In accordance with BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the new interlocking position of Director Eugene S. Acevedo, for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval/confirmation.

The request covers Mr. Acevedo's interlocking position as Director of Malayan Insurance Co., Inc., the non-life insurance company of the YGC Group.

TO:	CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE
DATE:	September 22, 2025
SUBJECT:	Evaluation of the Additional Interlocking Position of Mr. Reginaldo Anthony B. Cariaso in the Asian Bankers Association

In accordance with BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the new interlocking position of President and CEO/Director Reginaldo Anthony B. Cariaso as Director of the Asian Bankers Association (ABA), for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval/confirmation.

TO:	**CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE**
DATE:	November 4, 2025
SUBJECT:	**Evaluation of the Additional Interlocking Position of Mr. Carlos G. Dominguez in the Asian Bankers Association**

In accordance with BSP Memorandum Circular No. 1129 and the Bank's policy on interlocking positions, please find attached the information on the new interlocking position of Independent Director Carlos G. Dominguez as President and Chairman of PTFC Redevelopment Corporation (PTFC), for the evaluation and assessment of the Committee and for endorsement to the Board of Directors for approval/confirmation.

PTFC is a publicly listed company. This will be the 5th publicly listed company in which Mr. Dominguez holdsdirectorships. This is still within the maximum allowable limit of 5. PTFC is into real estate development.

April 28, 2025 Board Approval as Endorsed by the CG Com

Matters Endorsed for Approval

- Change in the interlocking positions of Director Katsufumi Uchida – The change in the designations of Director Uchida pertains to his position in Sumitomo Mitsui Banking Corporation (SMBC) particularly from Co-Head of the Asia Pacific Division to Head of the Asia Pacific Division. The change lies more in the circumstance that Mr. Uchida is now the sole Head of APAC Division rather than a Co-Head.

Resolution No. BR-25-070a

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that on the endorsement of the Corporate Governance and Nominations Committee and in accordance with the principles set forth in BSP Memorandum Circular No. 1129 and the Bank's internal policy, and finding the same to be fully compliant therewith, the Board of Directors confirms and approves the interlocking positions of Director Katsufumi Uchida in Sumitomo Mitsui Banking Corporation as follows:

From	To
Managing Executive Director	Managing Executive Director
Co-Head of Asia Pacific Division	Head of Asia Pacific Division

June 30, 2025 Board Approval as Endorsed by the CG Com

- Additional Interlocking Position of Mr. Eugene S. Acevedo – The addition is as Independent Director of Cebu Landmasters, Inc. Given that Mr. Acevedo will end his term as President and Chief Executive Officer by end of June 2025, his directorships in the subsidiaries will also lessen. For the Committees, beginning July 1, 2025, he will retain only his membership in the Executive Committee. Finding no actual, potential, or perceived conflict and no impediment to Mr. Acevedo's performance as director of the Bank post June 30, 2025, the CGN Com endorsed the said additional interlocking position.

Resolution No. BR-25-112

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that on the endorsement of the Corporate Governance and Nominations Committee and in accordance with the principles set forth in BSP Memorandum Circular No. 1129 and the Bank's internal policy, and finding the same to be compliant therewith, the Board of Directors confirms, ratifies, and approves the additional interlocking directorship of Director Eugene S. Acevedo as Independent Director of Cebu Landmasters, Inc.

July 28, 2025 Board Approval as Endorsed by the CG Com

- Additional Interlocking Position of Mr. Eugene S. Acevedo – The addition is as Trustee in AY Foundation, Inc. Given that Mr. Acevedo ended his term as President and Chief Executive Officer by the end of June 30, 2025, his directorships substantially lessened and he is now a member of only the Executive Committee. Finding no actual, potential, or perceived conflict and no impediment to Mr. Acevedo's performance as director of the Bank, the CGN Com endorsed to the Board said additional interlocking position.
- Additional Interlocking Positions of Mr. Reginaldo Anthony B. Cariaso – Given his appointment as President and Chief Executive Officer effective July 1, 2025, Mr. Cariaso will take on the positions previously held by Mr. Acevedo in the subsidiaries below. In addition, he was appointed as Director of Bancnet in June 2024 and, subsequently, as Treasurer.

Registered Name	Position
Rizal Microbank, Inc. - A Thrift Bank of RCBC	Director (assumed on February 5, 2024) Chairperson
Bancnet	Director (assumed on June 18, 2024) Treasurer
RCBC Capital Corporation	Director
RCBC Leasing and Finance Corporation	Director/Vice Chairperson
RCBC Rental Corporation	Director
RCBC Trust Corporation	Director

Resolution No. BR-25-154

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that on the endorsement of the Corporate Governance and Nominations Committee and in accordance with the principles set forth in BSP Memorandum Circular No. 1129 and the Bank's internal policy, and finding the same to be compliant therewith, the Board of Directors confirms, ratifies, and approves the additional interlocking directorship of Director Eugene S. Acevedo as Trustee of AY Foundation, Inc.

Resolution No. BR-25-155

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that on the endorsement of the Corporate Governance and Nominations Committee and in accordance with the principles set forth in BSP Memorandum Circular No. 1129 and the Bank's internal policy, and finding the same to be compliant therewith, the Board of Directors confirms, ratifies, and approves the interlocking positions of Director/President and Chief Executive Officer Reginaldo Anthony B. Cariaso as follows:

Registered Name	Position
Rizal Microbank, Inc. - A Thrift Bank of RCBC	Director / Chairperson
Bancnet	Director / Treasurer
RCBC Capital Corporation	Director
RCBC Leasing and Finance Corporation	Director / Vice Chairperson
RCBC Rental Corporation	Director
RCBC Trust Corporation	Director

August 26, 2025 Board Approval as Endorsed by the CG Com

Matters Endorsed for Approval

- Additional Interlocking Position of Mr. Eugene S. Acevedo – The addition is as Director of Malayan Insurance Company, Inc. Finding no actual, potential, or perceived conflict and no impediment to Mr. Acevedo's performance as director of the Bank, the CGN Com endorsed to the Board said additional interlocking position

Resolution No. BR-25-182

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that on the endorsement of the Corporate Governance and Nominations Committee and in accordance with the principles set forth in BSP Memorandum Circular No. 1129 and the Bank's internal policy, and finding the same to be compliant therewith, the Board of Directors confirms, ratifies, and approves the additional interlocking directorship of Director Eugene S. Acevedo as Director of Malayan Insurance Company, Inc.

October 27, 2025 Board Approval as Endorsed by the CG Com

- Additional Interlocking Position of Mr. Reginaldo Anthony B. Cariaso. – The addition is as Director of Asian Bankers Association ("ABA"). He was elected on September 16, 2025 during ABA's Annual Meeting. Finding no actual, potential, or perceived conflict, the CGN Com endorsed to the Board the above interlocking positions for confirmation and approval.

Resolution No. BR-25-242

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that on the endorsement of the Corporate Governance and Nominations Committee and in accordance with the principles set forth in BSP Memorandum Circular No. 1129 and the Bank's internal policy, and finding the same to be compliant therewith, the Board of Directors confirms, ratifies, and approves the additional interlocking directorship of Mr. Reginaldo Anthony B. Cariaso, Director/President and Chief Executive Officer, as Director of the Asian Banker's Association effective September 16, 2025.

ANNEX 11

Recommendation 5.6

Board minutes involving abstentions from voting

Directors who have a material interest in matters raised before the Board abstain from deliberations and voting thereon. The inhibitions/abstentions are duly recorded in the Minutes of the Meetings.

Please see samples taken from various Minutes of Board meetings.

February 24, 2025

- Matters approved for endorsement to the Board:
  - Related Party Transactions:

[redacted]	[redacted] Mr. Acevedo, Mr. Virata, Mr. Serrano, Mr. Montes, and Mr. Santos, Directors and Chairman of RCBC Trust Corporation, respectively; and Ms. Dee and Mr. Buenaventura, Chairman and Director of House of Investments, Inc., respectively, which owns 40% of RCBC Trust Corporation, inhibited on the matter. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.

[redacted]	Mr. Nakatsuka and Mr. Uchida, Managing Director of Asia Growing Markets Department, and Managing Executive Officer and Head of Asia Pacific Division, respectively, of Sumitomo Mitsui Banking Corporation, which wholly owns SMBC Bank International PLC, inhibited on the matter in accordance with the Bank's RPT Policy.
[redacted]	Ms. Dee, Mr. Virata, and Mr. Buenaventura, Chairperson and Directors, respectively, of MICO, inhibited. Ms. Dee likewise inhibited in accordance with the Bank's RPT Policy.
[redacted]	Mr. Acevedo, Director of RCBC Capital Corporation which wholly owns RCBC Securities, Inc., inhibited on the matter. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.
[redacted]	Mr. Acevedo, Chairperson of RMB inhibited on the matter. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.
[redacted]	Ms. Dee, Chairperson of Sun Life Grepa Financial, Inc., inhibited on this matter. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.
[redacted]	Mr. Acevedo, Mr. Virata, Mr. Serrano, Mr. Montes, and Mr. Santos, Directors and Chairman of RCBC Trust Corporation, respectively; and Ms. Dee and Mr. Buenaventura, Chairman and Director of House of Investments, Inc., respectively, which owns 40% of RCBC Trust Corporation, inhibited. Ms. Dee also inhibited in accordance with the Bank's RPT Policy

On motion duly made and seconded, with the directors inhibiting as indicated below, the Board approved the following resolution

Resolution No. BR-24-036

[redacted]

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee - Chairperson of Malayan Insurance Corporation
C.E.A. Virata - Director of Malayan Insurance Corporation
G.A. Buenaventura - Director of Malayan Insurance Corporation
H.Y. Dee abstained as required by the Bank's RPT Policy

[redacted]

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee	- Chairperson of House of Investments, Inc. (HOI), which owns 40% of RCBC Trust Corporation
C.E.A. Virata	- Director of RCBC Trust Corporation
E.S. Acevedo	- Director of RCBC Trust Corporation
G. A. Buenaventura	- Director of HOI
J.B. Santos	- Chairman of RCBC Trust Corporation and Independent Director of HOI
V.F. Montes	- Director of RCBC Trust Corporation
L.E. Serrano	- Director of RCBC Trust Corporation

Ms. Dee also abstained as required by the Bank's RPT Policy.

March 31, 2025

- Matters approved for endorsement to the Board:
  - [redacted]

	Mr. Acevedo, Mr. Virata, Mr. Serrano, Mr. Montes, and Mr. Santos, Directors and Chairman of RCBC Trust Corporation, respectively; and Ms. Dee and Mr. Santos, Chairperson and Independent Director of House of Investments, Inc. (HOI) which owns 40% of RCBC Trust Corporation, inhibited on the matter. Mr. Buenaventura, Director of HOI, was absent. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.

[redacted]	
	Ms. Dee and Mr. Santos, Chairperson and Independent Director of House of Investments, Inc. (HOI) which owns majority of San Lorenzo Ruiz Investment Holdings & Services, Inc., inhibited on the matter. Mr. Buenaventura, Director of HOI, was absent. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.
[redacted]	[redacted] Ms. Dee and Mr. Santos, Chairperson and Independent Director HOI inhibited as HOI owns over 48% of iPeople, Inc. which wholly owns MESI, and MESI wholly owns MCLI and MCM. Mr. Buenaventura, Director of HOI, was absent. Ms. Dee also inhibited as she is Chairperson of Paz-Sucat, MESI, and MCM; and Trustee of MCLI. Mr. Virata, Trustee of MESI also inhibited. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.
[redacted]	
	Mr. Virata inhibited in accordance with the Bank's RPT Policy.

On motion duly made and seconded, with the directors inhibiting as indicated below, the Board approved the following resolution

Resolution No. BR-25-059

[redacted]

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee	- Chairperson of House of Investments, Inc. (HOI), which owns 40% of RCBC Trust Corporation
C.E.A. Virata	- Director of RCBC Trust Corporation
E.S. Acevedo	- Director of RCBC Trust Corporation
G. A. Buenaventura	- Director of HOI (absent)
J.B. Santos	- Chairman of RCBC Trust Corporation and Independent Director of HOI
V.F. Montes	- Director of RCBC Trust Corporation
L.E. Serrano	- Director of RCBC Trust Corporation

Ms. Dee also abstained as required by the Bank's RPT Policy

[redacted]

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee - Chairperson of House of Investments, Inc. (HOI), which owns 60% of San Lorenzo Ruiz Investment Holdings & Services, Inc.
G. A. Buenaventura - Director of HOI (absent)
J.B. Santos - Independent Director of HOI

Ms. Dee also abstained as required by the Bank's RPT Policy

[redacted]

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee - Chairperson of PERC; Chairperson of House of Investments, Inc. (HOI), which owns over 30% of PERC.
J.B. Santos - Independent Director of HOI

Ms. Dee also abstained as required by the Bank's RPT Policy.

April 28, 2025

- Matters approved for endorsement to the Board:
  - Related Party Transactions:

[redacted]	
	Mr. Acevedo, Mr. Virata, Mr. Serrano, Mr. Montes, and Mr. Santos, Directors and Chairman of RCBC Trust Corporation, respectively; and Ms. Dee and Mr. Santos, Chairperson and Independent Director of House of Investments, Inc. (HOI) which owns 40% of RCBC Trust Corporation, inhibited on the matter. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.
[redacted]	
	Mr. Acevedo, Director of RCBC Capital Corporation which wholly owns RCBC Securities, Inc., inhibited on the matter. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.
[redacted]	
	Mr. Acevedo, Chairperson of RMB inhibited on the matter. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.
[redacted]	[redacted]
	Ms. Dee and Mr. Santos, Chairperson and Independent Director of House of Investments, Inc. (HOI) inhibited as HOI owns majority of PERC. Ms. Dee also inhibited as Chairperson of PERC and in accordance with the Bank's RPT Policy.

Finding the same to be at arm's length and none having breached 10% of the consolidated assets of the Bank based on its latest audited financial statements, the RPT Com endorsed all the foregoing transactions to the Board of Directors for approval as RPT transactions.

[redacted]

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee - Chairperson of PERC; Chairperson of House of Investments, Inc. (HOI), which owns over 30% of PERC.
J.B. Santos - Independent Director of HOI

Ms. Dee also abstained as required by the Bank's RPT Policy.

Resolution No. BR-25-084

[redacted]

May 26, 2025

- Matters approved for endorsement to the Board:
  - Related Party Transactions:

[redacted]	
	Ms. Dee inhibited in accordance with the Bank's RPT Policy.

[redacted]	
	Ms. Dee and Mr. Santos, Chairperson and Independent Director of House of Investments, Inc. (HOI), respectively, inhibited as HOI owns HI Cars, Inc. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.
[redacted]	[redacted]
	Mr. Virata inhibited in accordance with the Bank's RPT Policy.

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee - Chairperson of House of Investments, Inc. (HI) which wholly owns HI Cars, Inc.
J.B. Santos - Independent Director of HI.

Ms. Dee also abstained as required by the Bank's RPT Policy.

[redacted]

On motion duly made and seconded, the Board of Directors approved the following resolution:

June 30, 2025

- Matters approved for endorsement to the Board:
  - Related Party Transactions:

Related Party	Transaction
[redacted]	Ms. Dee inhibited in accordance with the Bank's RPT Policy.
[redacted]	Ms. Dee inhibited in accordance with the Bank's RPT Policy.
[redacted]	Ms. Dee and Mr. Santos, Chairperson, Director and Independent Director of House of Investments, Inc., which owns over 48% of iPeople, Inc., inhibited. iPeople, Inc. wholly owns Malayan Education System, Inc. (MAPUA University) which, in turn, wholly owns the rest of the borrowers. Ms. Dee is also Chairperson of the members of iPeople Group other than iPeople, Inc. Mr. Virata, Trustee of Malayan Education System, Inc. (MAPUA University), inhibited as well. Ms. Dee also inhibited in accordance with the Bank's RPT Policy.

[redacted]

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

Ms. H.Y. Dee - Chairperson of EEI Corporation and Chairperson of House of Investments, Inc. (HOI), a minority shareholder of EEI Corporation.
Mr. J.B. Santos - Independent Director of HOI

Ms. Dee also abstained as required by the Bank's RPT Policy.

V. MANAGEMENT MATTERS

[redacted]

August 26, 2025

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee - Chairperson of with Sun Life Grepa Financial, Inc (SLGFI)
J.B. Santos - Independent Director of SLGFI
C.G. Dominguez - Independent Director of SLGFI

Ms. Dee also abstained as required by the Bank's RPT Policy

October 27, 2025

[redacted]

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

R.B. Cariaso - Director of RCBC Capital Corporation which wholly-owns RCBC Securities, Inc.

H.Y. Dee abstained as required by the Bank's RPT Policy.

[redacted]

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee - Chairperson of Petroenergy Group's PetroEnergy Resources Corporation (PERC)
Chairperson of House of Investments, Inc. (HOI) which owns 30.57% of PERC which, in turn, owns 75% of Rizal Green Energy Corporation (RGEC). RGEC wholly owns BKS and Bugallon.

C.G. Dominguez - Independent Director of PERC and HOI

Ms. Dee also abstained as required by the Bank's RPT Policy

November 24, 2025

- Matters approved for endorsement to the Board:
  - Related Party Transactions:

[redacted]	
	Ms. Dee and Mr. Dominguez, Chairperson and Independent Directors of House of Investments, Inc. (HOI), respectively, inhibited on this matter as HOI owns 15% of EEI Corporation. EEI Energy is a subsidiary of EEI Power Corporation which is, in turn, a subsidiary of EEI Corporation. Ms. Dee also inhibited in accordance with the Bank's RPT Policy
[redacted]	
	Ms. Dee also inhibited in accordance with the Bank's RPT Policy

Pursuant to the pertinent provisions of the Manual of Regulations for Banks, the following Directors, although present at the said meeting, did not participate in the discussion and approval of the foregoing resolution:

H.Y. Dee - Chairperson of HOI which owns 40% of RCBC Trust Corporation (RCBC Trust
C.G. Dominguez - Director of HOI
R.A.B. Cariaso - Director of RCBC Capital Corporation which also wholly owns RCBC Securities, In., Chairperson of Rizal Microbank Inc. – A Thrift Bank of RCBC, and Director of RCBC Trust
E.S. Acevedo - Director of RCBC Trust
L.E. Serrano - Directors of RCBC Trust

H.Y. Dee also abstained as required by the Bank's RPT Policy

ANNEX 12

Supplement to Recommendation 3.2.2, 5.7.1 and 5.7.2
NEDs separate meeting with Control Unit Heads and External Auditor (Agenda)

ANNEX 13

Recommendation 6.1.1
Excerpts of the May 2026 Minutes of the CGN Com Meeting re Results of 2025 Board Evaluation

3.4 Matters for Review and Endorsement to the Board *(Compliance Group)*

3.4.1 Results of the 2025 Board Performance Evaluation

Ms. Sheila Ricca G. Dioso (SGD) presented the results of the Board Performance Evaluation covering the period from January to December 2025. The assessments include the board performance, individual director self-assessment, Chairman's performance, Board Committee performance and the performance of key officers.

SGD then presented the following:

Rating Scale

Rating	Percentage	Description
4.5 - 5.0	90% - 100%	Exemplary
4.0 - 4.4	80% - 89%	Exceeds Expectation
3.5 - 3.9	70% - 79%	Meets Expectation
3.0 - 3.4	60% - 69%	Partially Meets Expectation
1.0 - 2.9	20% - 59%	Needs Improvement

Comparative Summary of Evaluation Results

Comparative Summary of Evaluation Results

Assessment Area	2024	2025
Board Evaluation	[redacted]	
Director Self-Assessment		
Chairperson		
Board Committees		
Executive Committee		
Audit and Compliance Committee		
Corporate Governance & Nominations Committee		
Related Party Transactions Committee		

Assessment Area	2024	2025
Anti-Money Laundering Committee	[redacted]	
Risk Oversight Committee		
Technology Committee		

[redacted]

[redacted]

After further discussions, the Committee agreed to endorse for Board approval.

KORN FERRY

ANNEX 14

23 May 2024

Rizal Commercial Banking Corporation
Yuchengco Tower
RCBC Plaza 6819 Ayala Avenue
Makati City 0727
Philippines

Dear Sir/Madam,

Re: 2023 External Board Evaluation ("Board Progression Planning") Exercise

Focus of the 2023 Board Review

In 2024, the Korn Ferry CEO & Board Practice Team conducted a comprehensive independent Third-Party Board Evaluation Exercise for Rizal Commercial Banking Corporation (RCBC).

This year, the RCBC Board elected to adopt a *Board Progression Planning* rather than a traditional Board Review exercise. This meant taking a forward-looking view and not just looking at the Board's core governance role in overseeing performance.

The focus was on helping the Board to enhance its value-add in 2 critical areas:

1. **Enhancing alignment on Strategic Issues, Priorities and the Path Forward**
2. **Enhancing how the Board adds value in partnership with the Management Team**

The impact of the Board in these two areas were reviewed via a focus on the following 5 dimensions:

- Purpose: Role of the Board & where we spend our time
- People: Current & Future Board Composition
- Partnership: Board Culture & Partnership with Management
- Processes: Board & Committee Processes & Structure
- Impact: Board 's Value-Add on key Strategic Issues

Through this Board Progression Exercise, the RCBC Board sought practical, actionable recommendations, which would enable the Board to progress and enhance their impact on key issues facing RCBC.

The Process

The key data points used during the Board Review Exercise were:

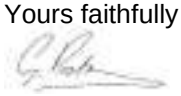
- One-on-One dialogues with members of the Board of Directors.
- One-on-One dialogues with selected members of the Executive Management Team.
- Quantitative Board Evaluation Questionnaire completed by the Board of Directors and members of the Executive Management Team.

The insights, together with key recommendations will be discussed with the full Board in June 2024.

Please note that our insights and recommendations are subject to reliance on information provided by the Board, Directors and Company Secretariat, which has been verified to the best of Korn Ferry's ability.

Consistent with the purpose of our Board Progression Planning Exercise, our report and this letter have been prepared for the Company's Board of Directors and does not purport to provide information for the purposes and reliance of other stakeholders.

Yours faithfully



Graham Poston
Regional Practice Leader
CEO & Board Progression
APAC

ANNEX 15

[redacted]

6. Compliance Program

The Compliance Program sets out the planned activities of the compliance function consisting of the following components outlined below. This program espouses a risk-based approach and shall have appropriate coverage across the Bank:

Diagram 4: Components of the Compliance Program

6.1 Policies and Procedures

A repository of relevant laws and regulations *(obligations library)* shall be maintained by the Compliance Group. All applicable regulations and reportorial requirements shall be mapped to the lines of businesses.

Embedding Activity and Updating of Policies and Procedures

The Compliance Advisors, in coordination with respective units, shall be responsible for embedding the obligations arising from new regulations across various lines of businesses by plotting these obligations to the Bank's policies and procedures; consequently, Compliance Advisors shall review the changes on the existing policies and procedures to ensure alignment and sufficiency.

Significant activities of embedding regulatory requirements shall be documented in the Embedding Report maintained by the Compliance Advisors. The Embedding Report is initiated for every regulatory update that requires and triggers new and amended regulatory requirements to the Bank.[17] Policy owners for each business unit shall be assigned to monitor and track any updates.

[16] The Internal Revenue Service administers and enforces U.S. federal tax laws.
[17] Memorandum on Risk Steward Embedding Report for Notation of the ACC dated 12 September 2023.

Clearing House Function

Policies and procedures with impact on regulatory, compliance, and ML/TF/PF risks shall be reviewed and cleared by the Compliance Group. Development and updating of policies and procedures shall be performed in accordance with the Management Services Division's ("MSD") guidelines on Development of Policies.[18]

Compliance Charter and Manual

The Compliance Oversight Division shall ensure that the Compliance Charter and Manual is reviewed on a regular basis.

6.2 Compliance Risk Assessment ("CRA")

The Bank shall identify and assess compliance risks by relating its compliance obligations per regulatory requirements (e.g., BSP's MORB, AML IRRs, NPC issuances, etc.) to its existing products and business framework. Each obligation is assessed based on the frequency of related procedures. The objective of the CRA is to translate laws and regulations into compliance obligations which will assist the Compliance Group in identifying and managing the Bank's compliance risks. The CRA methodology shall be reviewed/ revisited on an annual basis.

The results of the CRA will be the basis of the Compliance Assurance Plan. Moreover, these results serve as a crucial component in formulating Compliance Group's strategies/ annual plan[19].

The CRA shall be performed on an annual basis or whenever there are (a) material changes in the Bank's business profile or (b) when there are new regulatory requirements.

6.3 Compliance Testing

The Compliance Assurance Plan aligns itself with the Bank's Operational Risk Management Framework and best practices in embedding the Three Lines of Defense model. As Second Line of Defense, the Compliance Group will focus its Compliance Assurance Officers in providing an independent assurance of key controls by building on the assurance activities within the First Line of Defense, Risk Management Group and Internal Audit Group.

The plan consists of two (2) types of reviews - (a) Continuous Monitoring Plan and (b) Specialized Assurance Review.

a. Continuous Monitoring Plan ("CMP")

The Continuous Monitoring Plan is a quarterly quality assurance review on key control areas and focuses on giving risk and control owners the assurance that controls are operating effectively on an on-going basis. The CMP consists of tests to be performed by Compliance Assurance, Deputized Compliance Officers and Deputy Operations Risk Officers.

b. Specialized Assurance Review ("SAR")

The Specialized Assurance Review is an independent testing performed by the Compliance Assurance Division. Below are the underlying factors for the review under SAR:

1. Results of Bank's Risk & Control Self-Assessment or RCSA (including the new products and services) that are assessed with residual risk of High and Very High[20]

[18] MSD 2023-001 Development of Policies and Procedures December 2023 (Link to RCBC Online Library)

[19] The Group's strategic priorities are dynamic and are subject to change based on factors which may include but are not limited to the results of the CRA, organizational changes, regulatory requirements or directives, etc.

[20] Risk Self Assessments ("RSA")/Risk Control Self Assessments ("RCSA") – RSA is a tool to assess processes underlying a bank's operations against a library of potential threats and vulnerabilities including their potential impact. A similar approach, RCSA, typically evaluates inherent risk

2. New bank initiatives which materially impact the risk profile of the Bank

3. Areas of regulatory focus by the BSP communicated during bilateral discussions

For SAR, the Compliance Group has identified regulatory compliance risk taxonomies that require to be mitigated in accordance with BSP regulations.

6.4 Compliance Monitoring

a. Compliance Certifications from the DCOs

This is a quarterly Certification signed by the designated DCOs indicating a unit's compliance (or non-compliance) to regulations. As part of Compliance Group's annual work plan, these DCO quarterly certifications are subjected to periodic review and validation during compliance monitoring and assurance activities.

b. Compliance-Related Issues Management

The Compliance Group has existing procedures on reporting, monitoring and closure of compliance related issues in order to minimize regulatory penalties and sanction against the Bank. This is managed through the Compliance Advisory Division.

c. Monitoring of Commitments Arising from BSP's Report of Examination ("ROE")

Compliance risk is also monitored by tracking the progress of corrective actions relating to ROE directives. Corrective actions and / or actions taken / to be taken on BSP findings are reported to the ACC and are submitted to the Bangko Sentral's Financial Supervision Sector, as required.

d. Monitoring and Reporting of BSP conditions

Upon the receipt of BSP conditions on new applications, the Compliance Group ensures the proper assurance, embedding, monitoring, and reporting of the Bank's action plans to satisfy such conditions through its partnership with various business units. The Compliance Group may perform a specialized assurance review if assessed as emerging risks or upon the recommendation of senior management.

e. Transaction Monitoring

The Compliance Operations Division performs review of alerts from the Bank's name screening and transaction monitoring systems.

6.5 Reporting and Communication

The Compliance Group shall advise the Board of Directors and Senior Management on relevant laws, rules and standards, including keeping them informed on the developments in the area.[21]

The Compliance Group shall also periodically report to the Audit and Compliance Committee. The reports to the said committees should (1) refer to the compliance program, (2) summarize any identified breaches and/or deficiencies and the corrective measures recommended to address them, and (3) report corrective measures already taken.[22]

(the risk before controls are considered), the effectiveness of the control environment, and residual risk (the risk exposure after controls are considered). Scorecards on RCSAs may be developed by allocating weights to residual risks to provide a means of translating the RCSA output into metrics that will give a relative ranking of the control environment.

[21] Section 161 of the MORB.

[22] Section 161 of the MORB and BSP Memorandum No. M-2013-023 dated 28 May 2013.

Stakeholder Feedback Mechanism

As part of the Compliance Group's efforts to improve its quality of service and communication with stakeholders, a Client Satisfaction Survey shall be conducted on an annual basis. The feedback received from Stakeholders will be consolidated by the Compliance Oversight Division and will be discussed with the Compliance Division Heads.

6.6 Compliance Training

The Compliance Group shall assist Senior Management in educating officers and staff on compliance issues, and acting as a contact point within the institution for compliance queries from staff members. Guidance and education shall be implemented through the drafting of Compliance Bulletins on appropriate implementation of laws, rules and other standards, and other documents such the Compliance Manual and MTPP, among others.

Compliance Group shall work closely with the Human Resources Group in developing training plans, both at the enterprise and line of business/shared services levels and in updating and maintaining training content which is anchored in regulatory requirements and guidance. Ongoing training for other employees shall also be conducted to reinforce the staff members / officers knowledge of banking laws and regulations and make them aware of changes in the regulatory environment.

6.7 Regulatory Interaction and Coordination

The Bank shall maintain a constructive working relationship with the Bangko Sentral and other regulators.[23] The CCO shall act as the primary liaison officer[24] and single point of contact between the Bank and the BSP as well as with other regulatory agencies. The single point of contact shall be the main coordinator for regulatory concerns and requests. In instances where regulators directly communicate with units other than Compliance, the concerned units shall ensure that the CCO is promptly copied in all such correspondences.

The Bank, through the CCO and/or other authorized compliance officers, may consult with BSP and other regulators for clarifications on specific provisions of related laws and regulations. Similarly, BSP and other regulators may initiate dialogue with the institution to discuss the compliance program and implementation.[25]

6.8 Compliance Oversight on Subsidiaries[26]

One of the responsibilities of RCBC's Board of Directors is defining an appropriate corporate governance framework for group structures which shall facilitate effective oversight over entities in the group.[27] In line with this function; the Board is required to adopt a policy that defines the compliance framework that shall apply to all entities across the RCBC Group. The policy shall provide the structure that should be adopted by the group either to establish the compliance function centrally at the parent bank or in each of the identified subsidiaries. Such policy shall also include overall responsibility of the parent bank's compliance function with respect to the management of compliance risk exposures of subsidiaries/affiliates.

Regulations provide that the Chief Compliance Officer of the parent bank shall define the compliance activities for the entire group: Provided, that this shall be done in consultation and coordination with the respective board of directors and CCO of the subsidiary or affiliate BSFI: Provided, further, that the board of directors of the subsidiary or affiliate BSFI, shall remain ultimately responsible for the performance of compliance activities.

The Manual of Regulations for Banks and the Manual of Regulations for Non-Bank Financial Institutions require the compliance program to set out the planned activities of the compliance

[23] Section 161 of the MORB
[24] Annex A - Compliance Charter version CM–2025.05 (Link to RCBC Online Library)
[25] Section 161 of the MORB and BSP Memorandum No. M-2013-023 dated 28 May 2013
[26] Section 161 of the MORB
[27] Section 132 of the MORB

function, such as: the review and implementation of specific policies and procedures; compliance risk assessment; compliance testing, educating staff on compliance matters; monitoring compliance risk exposures; and reporting to the board of directors or board-level committee.

Bank-Subsidiary Model of Compliance

RCBC and its subsidiaries have adopted the Bank-Subsidiary Model of Compliance. Under this Model, the Subsidiaries may rely on certain compliance activities performed by the Bank. The respective board of directors of the Subsidiaries shall remain ultimately responsible for the performance of the compliance risk management activities. The Subsidiaries shall continue to be the owners of their respective compliance risks notwithstanding the performance of the compliance activities by the Bank.

7. Review by the Internal Audit Group

To ensure the integrity, effectiveness, and adherence to regulatory requirements, the design and implementation of the Compliance Program will undergo independent review and verification by the Internal Audit Group ("IAG"). Timing of the regular audits will be scheduled according to the IAG's audit plan.

8. Sanctions

Violations of the Bank's Compliance Manual, MTPP, and other Compliance Policies and Procedures shall be governed by the Bank's Code of Conduct and Discipline.[28]

9. Annexes

- **Annex A** - Compliance Charter

[28] HR Policy VIII Employee's Code of Conduct dated 01 Apr. 2024

RCBC
Partners Through Generations

CERTIFICATION

We, Reginaldo Anthony B. Cariaso, Kristine I. Aguirre and Sheila Ricca G. Dioso, the incumbent President and Chief Executive Officer (CEO), the Chief Audit Executive (CAE) and the Chief Compliance Officer (CCO), respectively, of Rizal Commercial Banking Corporation, do hereby certify that for the year ended 2025, the internal audit, internal control and compliance systems of the Bank generally conform with the standards, rules and policies, and are continuously being improved pursuant to noted Bangko Sentral ng Pilipinas observations in order for the aforesaid systems to work more effectively.

Issued this May 15, 2026, at Makati City, Philippines.

RIZAL COMMERCIAL BANKING CORPORATION
By:

[redacted]

Reginaldo Anthony B. Cariaso
President & CEO

[redacted]

Kristine I. Aguirre
Chief Audit Executive
Group Head, Internal Audit Group

[redacted]

Sheila Ricca G. Dioso
Chief Compliance Officer
Group Head, Compliance Group

SUBSCRIBED AND SWORN TO BEFORE ME, a duly authorized notary public for and in the above-named jurisdiction, on this MAY 25 2026 affiants exhibiting to me the following competent evidence of identity.

Name	Competent Evidence of Identity	Valid Until
Reginaldo Anthony B. Cariaso	[redacted]	
Sheila Ricca G. Dioso		
Kristine I. Aguirre		

Notary Public

ATTY. CATALINO VICENTE L. ARABIT
Notary Public for Makati City
Appointment No. M-027(2025-2026)
Until 31 December 2026
PTR NO. 10785556;01-05-26;Makati City
IBP INV.NO. 573094 ;12-26-25; Makati City
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I. OBJECTIVE

This policy is being issued to provide the guidelines to be observed by the Bank in the declaration, reporting, verification and recording of dividends in accordance with the Bangko Sentral ng Pilipinas (BSP) Manual of Regulations for Banks (MORB) ***and the pertinent sections under Article VII (Disclosure Rules) of the Philippine Stock Exchange (PSE) Consolidated Listing and Disclosure Rules (please see Annex A).*** This policy is also intended to provide the documentary requirements set by the BSP and to specify the business units responsible in ensuring compliance of the Bank with the said documentary requirements prior to dividend declaration.

Furthermore, this policy shall also include the general guidelines for the declaration and payment of dividends by the Bank's subsidiaries.

This effectively supersedes Accounting Circular No. CG-AC-003 dated March 1, 2018 entitled Dividend Policy (Version 4.0).

II. GENERAL POLICY STATEMENT

On an annual basis, management shall determine the amount of dividends to be declared and present the recommendation for the declaration of the same to the Board of Directors for approval. If it had stipulated dividend payment obligations, the Bank shall declare dividends in accordance with its commitment. For the preferred shares issued by the Bank, the dividend declaration shall be made on a quarterly basis subject to availability of unrestricted retained earnings. The Bank shall ensure compliance with the requirements on the declaration of dividends. The Bank shall declare dividends only up to the extent of available "Retained Earnings" in accordance with the BSP Regulations. In no case shall the Bank declare dividends if, at the time of declaration, it has not complied with all the requirements.

In addition, the Board and Senior Management of each subsidiary of the Bank shall consider payment of dividends depending on its performance or result of operations. Each subsidiary must ensure that all capital and compliance requirements are met and proper approvals are sought prior to declaration and payment of dividends.

The provisions herein shall govern the declaration of dividends on shares of stocks, regardless of feature, as well as interest payments on unsecured subordinated debt which meet the qualification requirements of Additional Tier 1 or Hybrid Tier 1 capital as defined under existing risk-based capital adequacy framework.

III. IMPLEMENTING GUIDELINES

1. Definition of Terms

For purposes of this policy, the following definitions shall apply:

1.1 Dividend - is a payment made to stockholders from the Bank's earnings, whether those earnings were generated in the current period or in previous periods. It also refers to corporate profits allocated, lawfully declared and ordered by the directors to be paid to the stockholders on demand or at a fixed time.

1.2 Bad debts - shall include any debt on which interest is past due for a period of six (6) months, unless it is well secured and in process of collection.

A loan payable in installments with an automatic acceleration clause shall be considered a bad debt within the contemplation of this ***policy*** where installments or amortizations have become past due for a period of six (6) months, unless the loan is well secured and in process of collection.

For a loan payable in installment without an acceleration clause, only the installments or amortizations that have become past due for a period of six (6) months and which are not well secured and in the process of collection shall be considered bad debts within the contemplation of this ***policy***.

1.3 Well secured - a debt shall be considered well secured or fully secured, if it is covered by collateral in the form of a duly constituted mortgage, pledge or lien on real or personal properties, including securities, having a loan value sufficient to discharge the debt in full, including accrued interest and other pertinent fees and expenses.

1.4 In process of collection – A debt due to a bank shall be considered in process of collection when it is the subject of continuing extrajudicial or judicial proceedings aimed towards its full settlement or liquidation or otherwise to place it in current status. The extrajudicial proceedings, such as the writing of collection or demand letters, must have been initiated by the bank and/or its lawyers before the interest or installments or amortizations on the debt have become past due and unpaid for a period of six (6) months.

The debt shall continue to be considered in process of collection for a period of six (6) months counted from date of the first collection or demand letter and if, within this period, the debtor fails to make a payment of at least twenty percent (20%) of the outstanding balance of the principal on his account, plus all interest which may have accrued thereon, the same shall automatically be classified as bad debts unless judicial proceedings are instituted.

The debt shall continue to be considered in process of collection during the pendency of the judicial proceedings. When judgment against the debtor has been obtained, the bank must be active in enforcing the judgment for the debt to continue to be considered in process of collection.

1.5 Retained earnings – the accumulated profits realized out of normal and continuous operations of the business after deducting therefrom distributions to stockholders and transfers to capital stock or other accounts. The retained earnings shall be the amount as shown in the financial statements audited by the Bank's independent auditor. If applicable, such amount shall refer to the retained earnings of the parent company but not the consolidated financial statements.

1.6 Unrestricted retained earnings – the amount of accumulated profits and gains realized out of the normal and continuous operations of the Bank after deducting therefrom distributions to stockholders and transfers to capital stock or other accounts, and which is:

1.6.1 Not appropriated by the Board of Directors for the Bank's expansion projects or programs;

1.6.2 Not covered by a restriction for dividend declaration under a loan agreement; and

1.6.3 Not required to be retained under special circumstances obtaining in the Bank such as when there is a need for a special reserve for probable contingencies.

1.7 Outstanding capital stock – means the total shares of stock issued to subscribers or stockholders, whether or not fully or partially paid (as long as there is a binding subscription agreement) except treasury shares.

1.8 Delinquent subscription – refers to a subscription that has been declared by the Board as such after the subscriber failed to settle the same after a period of thirty (30) days from the date the subscription became due as specified in the contract of subscription or in the call made by the Board of Directors.

1.9 Paid-in capital – the amount of outstanding capital stock and additional paid-in capital or premium paid over the par value of shares.

2. Prerequisites on the Declaration of Dividends

2.1 Per BSP MORB, the Bank shall ensure its compliance with the requirements on the declaration of dividends ***and shall not declare dividends greater than its accumulated net profits then on hand, deducting therefrom its losses and bad debts, and the corresponding responsible unit.*** It shall be the responsibility of the concerned offices to ensure compliance ***with*** the following requirements at the time of declaration of dividends.

BSP Requirements	Responsible Unit
2.1.1 Clearing account with the BSP is not overdrawn	Treasury Group – Liquidity Management ***Division***
2.1.2 Minimum capitalization requirement and risk-based capital ratios as provided under applicable and existing capital 6adequacy framework.	***Financial Accounting and Management Division (FAMD) - Regulatory Reports Department (RRD)***
2.1.3 The combined requirement for Capital conservation buffer ***and the countercyclical capital buffer*** as defined in Appendix ***59***, Parts III ***and IV*** of the MORB, for universal and commercial banks and their subsidiary banks and quasi-banks (Annex ***B***)	***FAMD-RRD***
2.1.4 Higher loss absorbency requirement, phased-in ***on*** January 1, 2017 with full implementation ***on*** January 1, 2019, in accordance with Domestic Systemically Important Banks (DSIBs) Framework based on the existing DSIB Framework of the BSP (Annex ***C***) for universal/commercial banks and their subsidiary banks and quasi-banks that are identified as DSIBs.	***FAMD-RRD***

2.1.5 Has not committed any unsafe or unsound banking practice as defined under existing regulations and/or major acts or omissions* as may be determined by the BSP to be ground for suspension of dividend distribution, unless this has been addressed by the Bank as confirmed by the Monetary Board or the Deputy Governor ***of the appropriate sector,*** as may be applicable, upon recommendation of the appropriate ***supervising*** department of ***the BSP.*** * Major acts or omissions – defined as the Bank's individual failure to comply with the requirements of banking laws, rules and regulations as well as Monetary Board directives having material impact on the Bank's capital, solvency, liquidity or profitability, and/or those violations classified as major offenses under the Report of Examination, except those classified under unsafe or unsound banking practice.	Compliance Office

Note: Per BSP Circular No. 996 entitled Amendments to Liquidity Floor and Foreign Currency Deposit Unit (FCDU) Regulations, liquidity floor reserve requirement for universal and commercial banks is at 0% on government deposits and government deposit substitutes. This shall continue to be subject to the reserve requirements provided under Section 251 of the MORB.

2.2 ***FAMD-RRD*** shall ensure compliance with the minimum capital requirements and risk-based capital ratios even after the dividend distribution.

3. Documentary Requirements

3.1 <u>For Cash Dividend Declaration</u>

The following are the documents required by the BSP in the declaration of cash dividends [per BSP Circular Letter No. CL-2009-042 and BSP Circular No. 888 (Annex ***D***)]:

BSP Documentary Requirements	Responsible Unit
3.1.1 Duly notarized Report on Dividends Declared certified by the Chief Compliance Officer, Controllership Group Head and the President or a Senior Executive/Executive Vice President.	***FAMD***
3.1.2 Schedule of Bad Debts* as of date of dividend declaration	Enterprise Risk Division of ***Risk Management Group (RMG)***

List of accounts that are past due for more than 180 days with no specific reserves.	
3.1.3 Financial Reporting Package (FRP) Balance Sheet/Consolidated Statement of Condition and FRP Income Statement/Statement of Income and Expense (Month-end immediately preceding the date of declaration)	***FAMD***
3.1.4 Duly notarized Corporate Secretary's Certificate showing the board resolution approving the cash dividend declaration and indicating the cut-off date or record date the stockholders are entitled to dividends or a copy of the memorandum on the declaration of dividends duly stamped as approved and initialed by the Corporate Secretary.	Corporate Secretariat ***Division*** upon proper request made by General Accounting Division (GAD) (or the proper unit who requested the item to be included in the agenda)

3.2 For Stock Dividend Declaration

The following are the documents required by the BSP in the declaration of stock dividends [per BSP Circular Letter No. CL-2009-042 and BSP Circular No. 888 (Annex ***D***)]:

BSP Documentary Requirements	Responsible Unit
3.2.1 Duly notarized Report on Dividends Declared certified by the Chief Compliance Officer, Controllership Group Head and the President or a Senior Executive/Executive Vice President.	***FAMD***
3.2.2 Schedule of Bad Debts as of date of declaration	Enterprise Risk Division of ***RMG***
3.2.3 FRP Balance Sheet / Consolidated Statement of Condition and FRP Income Statement / Statement of Income and Expense (Month-end immediately preceding the date the date of declaration)	***FAMD***
3.2.4 Duly notarized Corporate Secretary's Certificate showing the board resolution approving the stock dividend declaration and indicating the cut-off date or record date the stockholders are entitled to dividends or a copy of the memorandum on the declaration of dividends duly stamped as approved and initialed by the Corporate Secretary.	Corporate Secretariat ***Division*** upon proper request made by GAD (or the proper unit who requested the item to be included in the agenda)

BSP Documentary Requirements	Responsible Unit
3.2.5 Duly notarized Corporate Secretary's Certificate or excerpt of the minutes of meeting of the Bank's stockholders, showing the following: a. Stockholders' Resolution ratifying or confirming the board resolution approving the stock dividend declaration; b. Total percentage of stockholdings approving the stock dividend declaration; and c. Place where the stockholders' meeting was held.	Corporate Secretariat ***Division*** upon proper request made by GAD (or the proper unit who requested the item to be included in the agenda)
3.2.6 Duly notarized Certification of the Corporate Secretary on the following: a. Profile of the authorized capital stock of the Bank, with breakdown as to class and number of shares; b. Profile of the total subscribed capital stock, with breakdown as to class and number of shares; and c. Profile of the total paid-in capital stock, with breakdown as to class and number of shares.	Corporate Secretariat ***Division*** upon proper request made by GAD (or the proper unit who requested the item to be included in the agenda). The Corporate Secretariat ***Division*** and the Board should be provided with the information enumerated under ***item no.*** 3.2.6. It shall be the duty and responsibility of GAD to ensure that the required information is provided at the time approval for the declaration of dividends is first made.

3.3 The documents mentioned above should be properly acknowledged by the personnel authorized by ***BSP-Central Point of Contact Department IV (***BSP-CPCD IV***)*** to receive the documents.

4. Net Amount Available for Dividends

4.1 The net amount available for dividends shall be the amount of unrestricted or free retained earnings and undivided profits reported in the Financial Reporting Package (FRP) as of the calendar/fiscal year-end immediately preceding the date of dividend declaration.

4.2 The derivation of the dividend amount from the unrestricted/free retained earnings shall be based on sound accounting system and loss provisioning processes under existing regulations which takes into account relevant capital adjustments including losses, bad debts and unearned profits or income.

Note: Unearned profits or income refers to unrealized items which are considered not available for dividend declaration such as accumulated share/equity in net income of its subsidiaries, associates or joint venture accounted for under the equity method, recognized deferred tax asset, foreign exchange profit arising from revaluation of foreign exchange denominated accounts and others.

5. Declaration of Dividends

5.1 The management shall determine the amount of dividends to be declared subject to certain factors to be considered. In case of stock dividend declaration, no dividend shall be issued without the approval of the stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular or special meeting duly called for the purpose.

5.2 If the Bank has stipulated dividend payment obligations, it shall declare dividends in accordance with its commitment. For the preferred shares ***and hybrid perpetual securities*** issued by the Bank, the dividend declaration shall be made ***based on their respective terms and conditions such as on the timing (e.g.,*** quarterly, ***semi-annually, etc.),*** subject to availability of unrestricted retained earnings.

5.3 Preparation of the request for dividend declaration for the Board of Directors' approval shall be made by GAD of the Controllership Group ***based on the recommendation of Management through the Controllership Group Head.***

5.4 Corporate Secretariat Division shall disclose to the PSE the dividend declaration within ten (10) minutes from the happening or occurrence of said event. Disclosure of the dividend declaration must be made to PSE prior to its release to the news media. The original copy of the disclosure must be delivered to PSE within twenty four (24) hours from the time of initial disclosure.

5.4.1 The Corporate Secretariat Division shall clear its disclosures with the Corporate Secretary and the Corporate Information Officer prior to submitting the same to the PSE. The Corporate Secretariat Division shall be in charge only of the disclosures pertaining to the approval of the dividend declaration by the Board. All other disclosures shall pertain to the Corporate Planning Group.

5.4.2 Declaration of dividend/distribution on Hybrid Perpetual Securities is not included in the PSE disclosure requirement.[1]

5.4.3 The Bank should observe events mandating prompt disclosure to the PSE. The PSE will decide to halt trading upon receipt of disclosure The Issuer may request for "voluntary halt" should there be an upcoming disclosure or event that will affect the market/shareholders.

5.5 Record date of the disclosure of dividend declaration shall be set in accordance with the Rules of the Securities and Exchange Commission (SEC) and when appropriate, the Rules of BSP. The disclosure of the record date must not be less than ten (10) trading days from the said date.

6. Reporting and Verification

Banks and quasi-banks that meet the prequalification criteria including capital adequacy requirements shall be qualified to declare and pay dividends without prior BSP verification. It will be the Bank's responsibility to determine and certify its compliance with BSP requirements.

[1] ***The required PSE disclosure pertains to the dividends described in the PSE Consolidated Listing and Disclosure Rules as "the payment in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them out of the unrestricted retained earnings as declared by the board of directors of a stock corporation".***

6.1 Upon approval of the dividend declaration by the Board of Directors, the AMSS shall be responsible for:

6.1.1 ***requesting a*** copy of the duly notarized Secretary's Certificate ***from the Corporate Secretary and providing the copy to FAMD within five (5) banking*** days after Board approval; and

6.1.2 notifying Treasury Group and Trust and Stock Transfer Operations Department (TSTOD) about the same.

6.2 ***FAMD*** shall be responsible for reporting the declaration of dividends to the appropriate supervising and examining department of the BSP on or before the tenth (10th) banking day after date of dividend declaration in the following manner:

6.2.1 Submission of a duly notarized certification (Exhibit I) signed by the President and the Chief Compliance Officer stating that the Bank has complied with the requirements on the declaration of dividends provided under ***Section III.2*** above.

6.2.2 Submission of the duly notarized Report on Dividends Declared (Exhibit II), which shall be considered a Category A-1 report.

6.3 Nevertheless, if the Bank is cited with major supervisory concerns such as those initiated under Prompt Corrective Action (PCA) or is issued with specific Monetary Board directive to suspend/ refrain/ restrict dividend declaration, the Bank shall be subject to prior BSP verification by the appropriate ***supervising*** department of the ***BSP***.

Notes: ***a.*** A letter of request for approval, signed by the Bank President shall be submitted to the BSP. The letter should contain reasonable explanation to allow the declaration of dividend.

b. Any disclosure shall be made only after receipt of the BSP's approval, which notice of approval shall be promptly provided to the Office of the Corporate Secretary by the Compliance Office.

6.3.1 Furthermore, the following procedures must also be administered:

a. The Head of Asset Management and Sundry Section (AMSS) under GAD-Asset Management, Disbursement and Sundry Department (AMDSD) shall be responsible for the preparation of the application letter, obtaining all the documents required, and submission of the same to the BSP-CPCD IV. Upon submission to BSP-CPCD IV, the AMSS shall also forward to the Compliance Office a copy (either hard or soft copy) of the documents submitted to BSP-CPCD IV ***and the preparation of the Notice of Dividend Declaration.***

b. AMSS must ensure that the documents are complete before submitting the same to BSP-CPCD IV as applications/requests with incomplete documents will be returned within five (5) banking days from receipt thereof. However, BSP-CPCD IV may require submission of additional documents/information which it may later on consider relevant to complete its evaluation of the application/request.

Note: The documents mentioned above should be properly acknowledged by the personnel authorized by BSP-CPCD IV to receive the documents.

7. Recording of Dividends

7.1 If the Bank meets the prequalification criteria, the liability for dividends declared shall be taken up by AMSS in the Bank's books upon approval by the Board of Directors. However, for dividend declarations that are subject to prior BSP verification, the liability for dividends declared shall be taken up by AMSS in the Bank's books upon receipt of BSP advice thereof. A memorandum entry may be made to record the dividend declaration on the date of approval by the Board of Directors.

7.2 For dividends declared that are still subject to prior BSP verification, disclosure by means of a footnote should include a statement to the effect that the dividend declaration is subject to review by the BSP. ***Controllership shall state the need for BSP review in their Memo to the Board seeking approval for the declaration of dividends.***

8. Issuance of Fractional Shares

Whenever the declaration of stock dividend results in the issuance of fractional shares, the following guidelines shall be observed:

8.1 The amount corresponding to the fraction should be given in the form of cash dividend; and

8.2 The certificate of stock issued should be in whole numbers, and the fractional shares shall be issued in the form of scrip certificates. In no case shall the certificate of stock be issued including such fractional share. The scrip certificate is temporary in nature and should be redeemed in cash or stockholders holding such scrip certificates may negotiate with other stockholders for the purchase or sale of such shares to convert them into full shares, subject to the limitations on stockholdings as provided by law.

9. Payment

9.1 The Payment Date must be in accordance with the Rules of the SEC and when appropriate, the Rules of BSP. Moreover, the payment date shall not be more than eighteen (18) trading days from the record date.

9.2 If the Bank meets the prequalification criteria, upon approval of the dividend declaration by the Board of Directors, the AMSS shall send ***an e-mail advice*** to TSTOD, ***FAMD***, Treasury Group and Compliance Office informing the same of the Board approval, including the record date and payment of the dividend. Payment is counted from record date, which is based on BOD approval date.

On the other hand, upon receipt of the BSP approval for dividend declarations that are subject to prior BSP verification, the Compliance Office shall forward the same to AMDSD, Corporate Secretariat ***Division***, Trust and Investment Group, and Treasury Group.

9.3 TSTOD shall send an electronic advice thru the ***Philippine Depository and Trust Corp. (PDTC) Notes Q*** to all brokers and custodian banks with shareholdings held under

Philippine Central Depositary (PCD) Nominee Corporation account requesting for the certification of withholding tax to be applied on the dividend.

9.4 Immediately after record date of dividend but prior to payment date of dividend, TSTOD shall send a memo to AMSS, requesting to fund the Trust account for the payment of dividends and the amount of tax to be withheld and remitted to the Bureau of Internal Revenue (BIR) based on existing revenue regulations on dividend payment.

Note: TSTOD shall inform Treasury - Liquidity Management ***Division*** of the total cash dividend to be funded as well as the date of check payments.

9.5 Upon receipt of the memo to fund the dividend payment, AMSS shall pass the entries stated in item no.10.2.1. ***At least two (2) banking days before booking,*** AMSS shall also notify, through e-mail, the Liquidity Management ***Division*** under Treasury Group and ***FAMD*** (for preferred shares amount) for earmarking and reporting of the dividend payment, respectively.

Note: AMSS shall notify ***FAMD*** regarding all cases of dividend payment whether in common and preferred shares, etc.

9.6 For funding of dividend payment, AMSS shall send a trade ticket, together with a credit advice, to Makati Support Center Department 1. AMSS shall also send ***a*** trade ticket to TSTOD for the booking of withholding tax on dividend payment.

9.7 Upon receipt of the trade ticket and credit advice from AMSS, the Makati Support Center Department 1 shall credit the RCBC Trust Account in accordance with the details/ instructions stated in the trade ticket and credit advice. In crediting the RCBC Cash Dividend Account, the Makati Support Center Department 1 shall also observe the Bank's existing policies and procedures in handling Current Account/Savings Account (CASA) posting transactions.

9.8 After verifying that the funding has been made, TSTOD shall prepare the dividend checks and facilitate the issuance of demand draft (DD) in coordination with RCBC Main Business Center or other acceptable settlement instructions for peso and US dollar dividend payment, respectively. TSTOD shall be responsible for the issuance of the Certificate of Final Tax Withheld at Source (please see Exhibit III for the BIR Form 2306) on dividend payments upon request of the stockholder.

Note: The BIR Form 2306 should be furnished to the stockholders not later than January 31 of the succeeding year. Hence, even if there is no request, TSTOD should ensure that stockholders should have received their BIR Form 2306 not later than January 31 of the following year.

Cost of issuance of DD ***in USD currency for RCBC Preferred Series and customized dividend check in PHP currency for RCBC common and preferred shares***, as identified by RCBC Main Business Center, is minimal. Therefore, it is chargeable to Corporate Overhead based on Finacle system-generated rate multiplied by the number of issued DD ***in USD currency and customized dividend check in PHP currency***."

9.9 On the 5th calendar day after the reference month (if the 5th calendar day falls on ***a*** holiday, transaction shall be done ***on*** the next banking day), TSTOD shall send a trade ticket, together with the summary/alphalist of final withholding taxes on dividend payment

(please see Annex ***E***), to Taxes and Remittances Section (TRS) of Tax Planning and Compliance Department (TPCD) for the transfer of booking of final withholding tax on dividend payment. The alphalist must contain complete and accurate information which include the name of the dividend recipient, taxpayer identification number (TIN), amount of dividend payment, final withholding tax rate and final taxes withheld, among others. The hardcopy, duly signed by the preparer and reviewer, and the softcopy shall both be forwarded to TRS.

Note: For reference purposes, please see Exhibit IV for the Schedule of Final Withholding Taxes (FWT) with their corresponding rates and alphanumeric tax code (ATC).

9.10 On the 15th calendar day after the reference month (if the 15th calendar day falls on a holiday, transaction shall be done ***on*** the next banking day), the TRS shall remit the final tax withheld on dividend payments to the BIR via Philippine Payments and Settlements System (PhilPaSS) of the BSP.

10. Accounting Entries

10.1 To record the declaration and payment of dividends:

10.1.1 Upon BOD approval or upon receipt of BSP approval, if the Bank does not meet the pre-qualification criteria, AMSS shall pass the following entries:

10.1.2 For funding of the dividend payment, the following entries shall be passed by:

a. AMSS

b. Makati Support Center Department 1

Note: USD currency for RCBC Preferred Series and customized dividend check in PHP currency for RCBC common and preferred shares.

10.1.3 To record cost of demand draft issued by RCBC Main BC as forwarded to AMSS:

10.2 To record the declaration and payment of dividends on Hybrid Perpetual Securities:

10.2.1 Upon BOD approval, AMSS shall pass the following entries:

10.2.2 Upon payment, responding to the Inter-system of Treasury Operations

10.2.3 Payment remittance

10.3 To record booking and remittance of the final withholding tax on dividend payments:

10.3.1 Upon receipt of the trade ticket from AMSS per item 10.1.2 (a) above, TSTOD shall pass the following entries to book final withholding tax on dividend payment:

10.3.2 Upon sending of the trade ticket to TRS, TSTOD shall ***initiate the inter-system to TRS***:

10.3.3 Upon receipt of the trade ticket from ***TSTOD***, TRS shall pass the following entries:

10.3.4 Upon remittance of final withholding tax to the BIR, TRS shall pass the following entries:

11. Dividend Policy for Subsidiaries

11.1 Depending on the performance of each subsidiary, its Board and Senior Management shall consider payment of dividends. The subsidiaries may pay dividends from the balance of cash flows taking into account the following:

11.1.1 the capital expenditure requirements of the subsidiary company; and

11.1.2 compliance with requirements on dividend declaration.

11.2 All subsidiaries must comply with applicable regulations and requirements as set by the BSP and/or SEC. Subsidiaries must consider its respective level of capital, risk exposure, growth rates, and earnings retention in determining dividend payments to the Parent Bank.

11.3 Dividend declaration should not preclude a subsidiary from making dividend payment thru installments if cash balance does not permit one-time payment at declaration date.

11.4 Financial subsidiaries, under permissible circumstance, shall consider payment of dividends to the Parent Bank annually, in order to support the Bank's capital base and liquidity position.

11.5 Declaration of dividends is subject to the approval of the Board of Directors and Senior Management of each subsidiary company and paid out of its unrestricted retained earnings.

IV. SANCTIONS

1. External Sanctions

1.1 In accordance with the existing Supervisory Enforcement Policy of the BSP, it may deploy enforcement actions to promote adherence to the provisions governing dividend declaration and implement timely corrective actions. The BSP may issue directives to suspend/refrain/restrict from performing a particular activity, or impose sanctions to regulate the level of or suspend any business activity that has adverse effect on the Bank's safety and soundness, among others. Sanctions may likewise be imposed on the Bank and/or its Directors, Officers and/or employees.

1.2 The imposition of sanctions shall be without prejudice to the imposition of administrative sanctions under Section 37 of the New Central Bank Act (Republic Act No. 7653), hereto attached as Annex F, including declaring as unsafe or unsound the inappropriate dividend declarations and/or to the filing of appropriate criminal charges against the responsible persons as provided under Section 35 of the said RA for the willful making of a false or misleading statement.

1.3 Furthermore, if the Bank is subsequently found to have violated the provisions on dividend declaration or has falsely certified or submitted misleading statements, the Bank shall be reverted to the prior BSP verification wherein the Bank can only make an announcement or communication on the declaration or payment of dividends upon receipt of BSP advice thereof.

1.4 The BSP shall impose a penalty of ₱3,000.00 for each occurrence (in case of erroneous report) or for each day (in case of delayed or unsubmitted report) which will accumulate until such time the report has been determined compliant with the prescribed reporting standards.

2. Internal Sanctions

2.1 Each instance of non-compliance with this circular shall be considered as a minor offense. As defined in Policy No. VIII of the Human Resources (HR) Policies and Processes Manual entitled Employee's Code of Conduct; a minor offense is a policy violation that does not manifest insubordination, dishonesty, ill motives or loss of integrity. Note, however, that a minor offense may become serious or grave if committed habitually or if actual monetary loss eventually results therefrom.

2.2 If the failure to comply with this circular resulted in monetary losses for the Bank, the erring employee shall be asked to restitute the amount lost. Furthermore, in accordance with Policy No. VIII of the HR Policies and Processes Manual, the failure to properly and reasonably secure bank funds and property through the non-observance or non-implementation of bank policies and procedures, shall be considered a minor offense if due to negligence and the act results in an actual or potential loss of below P50,000.00; a serious offense if the negligence results in an actual or potential loss of P50,000.00 to below P100,000.00; and a grave offense if due to willful disobedience, gross and/or habitual negligence.

2.2.1 Negligence is gross if the oversight/mistake results in an actual or potential loss of at least P100,000.00.

2.2.2 Negligence is habitual if the oversight/mistake occurs repeatedly, regardless of whether or not the acts result in actual losses, and the neglect already exposed the Bank to reputational/operational risks and/or risk of monetary loss.

2.3 For everyone's guidance, below is the gradation of penalties for each type of offenses as stated under Policy No. VIII of the HR Policies and Processes Manual:

TYPE OF OFFENSES	1st CITATION	2nd CITATION	3rd CITATION	4th CITATION
Minor Offense	Reprimand	Warning	Suspension	Termination
Serious Offense	Suspension	Termination		
Grave Offense	Termination			

2.4 Violation of any internal Bank policy which results in an actual or potential loss to the Bank of at least One Million Pesos (P1,000,000.00) shall be subject to the administrative cases procedure under the powers and authorities of the Personnel Evaluation Review Committee (PERC).

FSVP FLORENTINO M. MADONZA